



The week in London and New York

Resilient market

ONLOOKER

In a week, influenced by political events, a series of Government statistics, and the final trial of "phase three," the market showed a fair amount of resilience...

is due shortly and may tell us more about Gardner than has often been revealed by this highly secretive company...

Gardner active

The flurry of activity in Gardner shares which followed Wednesday's announcement of Hawker Siddeley's bid for diesel engine company...

At 176p (down 9p on the week) the shares yield 11.3 per cent, which is twice the yield on the FT Actuaries share index...

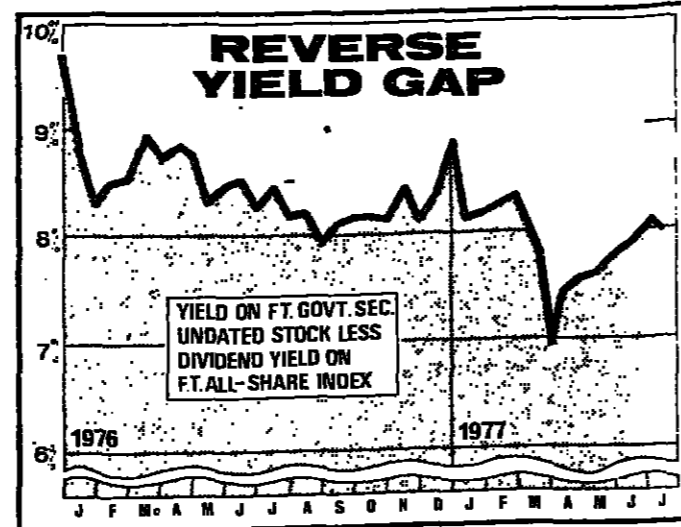
An alternative interpretation of Rolls' activity is that it is simply hoping to force Hawker into a better offer...

According to Reed's critics, over expansion in North America has led to most of the group's problems...

Shipbuilding cash

Whatever happens, long-standing Gardner shareholders have had a rewarding week...

The shipbuilding sector has perked up in the last few weeks, led by Swan Hunter...



Government was unable to force the nationalisation of the ship-repairing side, SE announced at the end of June that half was going to be sold to British Shipbuilders...

Scottish and Newcastle admitted this week along with its full year figures, that beer volume was down 1 per cent.

The spotlight has also been turned on the brewery sector this week with news of even more brewers pushing through applications for price increases...

Deaver pint

The spotlight has also been turned on the brewery sector this week with news of even more brewers pushing through applications for price increases...

Waiting game

BY JAY PALMER

THE MASSIVE 24 hour long New York City power blackout yesterday extinguished trading on the New York and American Stock Exchanges...

White the politics of America's slow move towards the creation of a single US stock market must await the New York Stock Exchange from ever being able to call itself the exchange...

TOP PERFORMING SECTORS IN FOUR WEEKS FROM JUNE 16

Table with 2 columns: Sector and % Change. Includes Electricals, Electronics, Rad. & TV, Wines & Spirits, Insurance Brokers, Food Retailing, Investment Trusts, All-Share Index.

THE WORST PERFORMERS

Table with 2 columns: Sector and % Change. Includes Merchant Banks, Insurance (Composite), Motors, Distributors, Property, Tobacco, Shipping.

THE SMALLEST pebble thrown into a tranquil pool makes some sort of ripple. It has been rather like that on the bullion and gold share markets.

Gentle canter

At the same time gold shares have been having a run - or perhaps more accurately a gentle canter. Between the end of May and the middle of June, the Gold Mines Index was subject to quite strong movements...

Ripples on the pool

BY PAUL CHEESERIGHT

The ERGO prospects came with no question of these provisions being lifted. To some extent the New York interest in gold shares is a response to the sluggish performance of Wall Street...

The role of New York in the gold share market is crucial. New York has indeed become the centre of the international market with Johannesburg following and London coming a poor third.

British buying interest in gold shares is virtually non-existent. While this partly reflects the historic downgrading of London as a centre for mining finance...

Other significant shareholders in Northgate are Westfield Minerals with 13.9 per cent, Union Corporation's Grosvet and Marvale with 9.5 per cent.

Capital Radio

4.50 a.m. Korry Judy's Breakfast Show. 5.15 a.m. Peter Young's Commission. 5.30 a.m. Music Express.

MARKET HIGHLIGHTS OF THE WEEK table with columns: F.T. Ind. Ord. Index, Price Yesterday, Change on Week, 1977 High, 1977 Low.

U.K. INDICES table with columns: Average week to, July 15, July 8, July 1.

FT GOLD MINES INDEX table with columns: GOLD PRICE, FT GOLD MINES INDEX.

TV ratings, week ended July 10 table with columns: U.K. Top 20 home viewing (m.), SALE OF THE CENTURY, GENERAL HOUSEHOLD (ATV), CORPORATION STREETS (ATV), MAN ABOUT THE HOUSE (GRANADA), WINNER TAKES ALL (THAMES), WHAT'S ON NEXT (THAMES), NEWS AT TEN (ITV), CROSSROADS (ITV), NEWS AT TEN (GRANADA), NEWS AT TEN (ITV), THE FOUNDATION (ITV), THE FOUNDATION (ITV), CORONATION STREET (ITV), NEWS AT TEN (ITV).

TV/Radio

4.30 Cricket: Gloucestershire v Kent. 7.25 News and Sport. 7.40 News and Sport fishing in Denmark.

ANGLIA

9.00 a.m. Here Comes the Future. 9.25 Tree Top Tales. 9.40 Return to the Planet of the Apes.

ATV

9.00 a.m. Cur Car. 9.25 Calline Bolides. 9.40 The Star. 9.55 The Star.

SCOTTISH

9.00 a.m. Cur Car. 9.25 Calline Bolides. 9.40 The Star. 9.55 The Star.

SOUTHERN

9.00 a.m. Cur Car. 9.25 Calline Bolides. 9.40 The Star. 9.55 The Star.

BORDER

9.00 a.m. Cur Car. 9.25 Calline Bolides. 9.40 The Star. 9.55 The Star.

CHANNEL

9.00 a.m. Cur Car. 9.25 Calline Bolides. 9.40 The Star. 9.55 The Star.

GRANADA

9.00 a.m. Cur Car. 9.25 Calline Bolides. 9.40 The Star. 9.55 The Star.

BBC 2

7.10 a.m. Open University. 7.20 p.m. The Lemon Drop Kid.

BBC 1

7.10 a.m. Open University. 7.20 p.m. The Lemon Drop Kid.

BBC 3

7.10 a.m. Open University. 7.20 p.m. The Lemon Drop Kid.

BBC 4

7.10 a.m. Open University. 7.20 p.m. The Lemon Drop Kid.

BBC 5

7.10 a.m. Open University. 7.20 p.m. The Lemon Drop Kid.

BBC 6

7.10 a.m. Open University. 7.20 p.m. The Lemon Drop Kid.

BBC 7

7.10 a.m. Open University. 7.20 p.m. The Lemon Drop Kid.

BBC 8

7.10 a.m. Open University. 7.20 p.m. The Lemon Drop Kid.

Handwritten signature or mark.

# Your savings and investments

## A handful of high yielders

BY ADRIENNE GLEESON

Company	Price	Yield %
Associated TV	86p	10.0
Carrington Viyella	30 1/2p	10.4
Harold Ingram	37p	10.5
K Shoes	32p	10.0
Plaxtons (Scarburgh)	91p	11.0
Ranks Hovis McDill	43p	10.6
Relyon PBWS	53p	10.6
Silhouette (London)	41p	12.5
F. W. Woolworth	51 1/2p	11.8

ONS IN investment are shions in clothes: plus age, plus c'est la memo. This year's fashion is some, and it is a style as old and as enduring hills: sober, serviceable, little strait-faced. But it has to be dull. You our prices pages, find number of stocks and shares are selling on double yields; and while the should be left alone for meant—the time is not yet plunging into the fixed-market—the shares are ing else again, particone dividend control will us for another year. do not, of course, find selling on a double figure, nless there is something or the market has good o think that there might I would not want to t that the handful of old names that I have will never cut a diviain. But I have been all their most recent reports and financial s; and I reckon that a fair chance that all will pull through what lights their prospects about their shareholders to suffer for it. That is not, of course, a recommendation for the shares: but the t of income and capital thereafter is.

hits is not considered, in the City, to be susceptible of rational analysis. But ATV has been doing very well recently, and last year's dividend was comfortably covered. Harold Ingram is another. Never heard of it, sir? Ah, but I'll bet your wife—or your teens to twenties daughters—will have done. Harold Ingram is in the high fashion, low cost area of knitwear. It's heavily dependent on the design flair of one lady, the chairman's wife, which is one minus point in the City; and it's record is, to put it mildly, erratic, which is another. But the dividend has always been well covered, and the balance sheet is sound.

And then there is K Shoes, which like most of the British footwear industry, has been having its problems: a declining home market and overseas competition have between them forced the group into cutting back on its manufacturing capacity. Further shrinkage is going to be difficult, since the group now has most of its manufacturing operations up in Kendal, and it's the highest employer in town. And I don't know that I would entirely acquit K Shoes of a touch of that dour Northern integrity that had Coats Patons cutting its dividend three years ago—do you remember?—on the argument that if times were hard they were hard for the owners as well as the employees. However, the latest signs are that the manufacturing side is washing its face, and that the retail side is going great guns.

## Funds and pensions

OUR pension from your r remained static for Has the company made attempts to repair ages of inflation on your's value? Have your pen- sions suffered as a f your employer being service fashion, is asking re- if so, then the Occu- Pensions Board would hear from you.

lar, the Board was asked to review the need for any further measures which would provide greater security for occupa- tional pension rights and ex- pectations.

world and are, therefore, just as aware as the rest of us of the effects of inflation.

## Workers' handshake

ENGINEERS to get a handshake: not the one you would expect to see in a newspaper. After all, the average wage of TV engineering is in line with the average of £73 per week of executive standards. Yet their em- ployers could pay them a tax- free lump sum of £5,600 on retirement with the blessing of Inland Revenue—and the death grant is derisory. State pensioners cannot, of course, receive the traditional gold mine any part of their pension.

Guarding the house

MOST YOUNG couples dream of owning their own home and buying a house is possibly the largest single investment they will undertake in their lives. But there are problems and pitfalls to be avoided if that dream is not to turn into a nightmare, and life insurance can play a leading role in ensuring peaceful nights. Therefore, I was interested in a new house purchase protection scheme, called "Loansafe," which was issued this week by Royal Insurance.

## Does your Company earn 16% p.a. from its surplus funds?

not. Target can offer an investment which provides an equivalent return and which may also help to improve the inflow of your company.

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come across it on the road ahead, written in mighty flourishes across the rump of a coach full of ample, jolly Yorkshire ladies, heading for the sea at Morecambe or Bridlington. Plaxton's is a coachbuilder with a progressive dividend record and a large family holding in the shares—so if you go in with a big buying order you're likely to do dramatic things to the share price: don't.

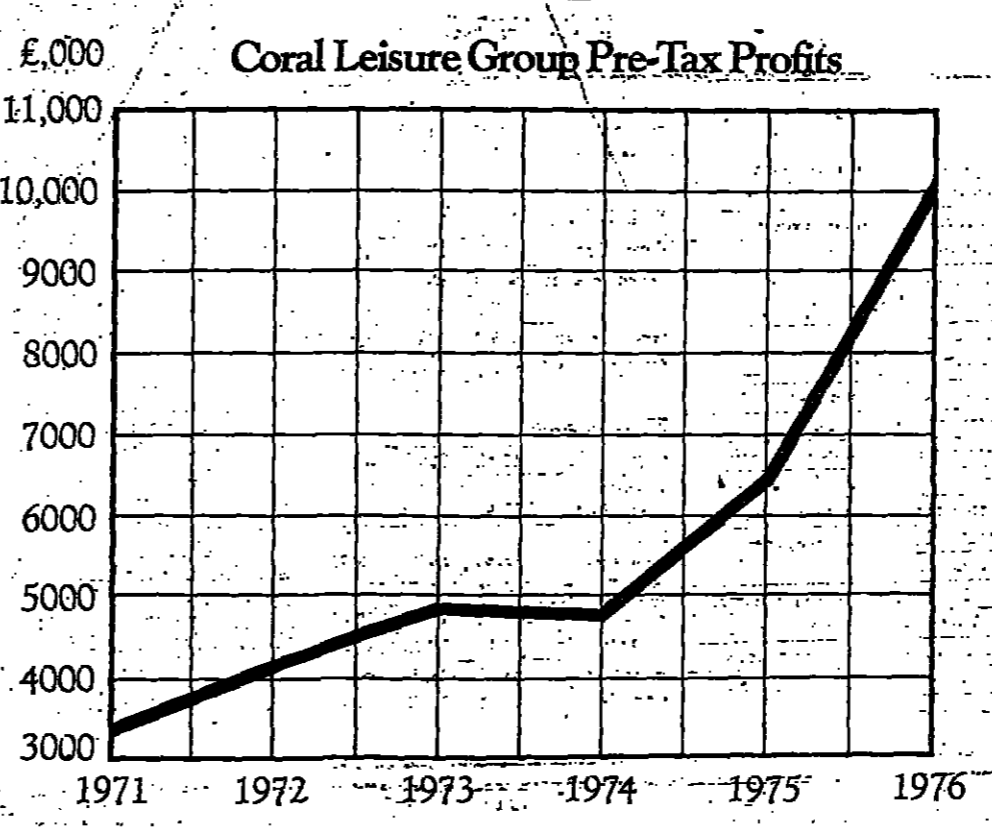
## Traveller's checks

BY TERRY GARRETT

ONE Of the pleasures of travelling abroad is shopping, but in packed market places like that in the picture the traveller is easy prey for the local pickpocket. The initial reaction to finding oneself in foreign parts "without a bean" is to panic, but if it is credit cards or traveller's cheques which have gone missing, not all is lost.

Surely it makes sense to ask whose value is maintained in all pension schemes what the face of inflation without arrangements, if any, are made to top up pension payments, process. It is a subject that how often such topping-up has taken place, whether the procedure is linked to some form of index or based on salary increments for existing em- ployees? Surely it makes sense to ask companies how often they have made additional con- tributions to the pension scheme and for what purpose?

# Giving pleasure to others has its rewards.



Impressive, isn't it? About five years ago 99% of our profits were from book-making. Last year 67% of our profits were from other activities. And we see no reason why this success shouldn't continue.

Although we're still strongly represented in bookmaking (we now have over 600 shops throughout the country), we realised that the more leisure time people have, the more leisure facilities are required. Such as bingo halls, squash courts, greyhound stadiums, hotels and restaurants, casinos, leisure centres and a marina.

Bingo. Because it's one of the housewives' favourite recreations, we've doubled the size of our bingo division to twenty-eight clubs. The interior of each club has been designed to provide a comfortable playing area for as many as 2,000 people. And every club we have in England is fully licensed.

Squash. The fastest growing participant sport in the U.K. is squash, and we firmly intend to encourage the game. We've one club at Gareshead, housing 6 courts, and permission for a further 4 courts is under consideration. We are building an 8-court club at Crewe, due to open this September. And at our Brighton stadium a 12-court complex is planned.

Greyhound Racing. Next to football, greyhound racing is the largest spectator sport in the country. So it will come as no surprise that

the two stadiums we own, one at Romford, the other at Brighton, are a very profitable part of the Group.

Casinos. We own five casinos. They are the Curzon House Club, the Palm Beach, the International Sporting Club, the Grand Casino Plymouth, and perhaps the most famous of all, Crookfords. Incidentally, the casinos are big invisible export earners.

Marina. The growing interest in sailing convinced us to acquire the Marina at Newhaven, now called the Coral Marina, which has extensive mooring capacity and a large boat park, together with a chandlery and boat repair facilities. For the enthusiast, we also have a yacht club.

Coral Leisure Centres. This summer, we have opened a comprehensive leisure centre in Torquay. It's called Coral Island. And in May 1977 we'll be opening another in Blackpool. Aply, it's situated along the famous Golden Mile. It will be the biggest enclosed entertainment centre of its type in the U.K. Visitors to each will enjoy everything from a drink in our bar to a dance in the disco.

Property. Our property division operates as a management service to the trading divisions. And in its own right, as a property developer and property investment company.

The investment portfolio includes many industrial and residential properties, including a large office block at Kings Lynn, a factory at Rayleigh, a shopping precinct at Luton, and the Coral Park Industrial Estate at Cambridge.

Hotels and Restaurants. Did you know we've now moved into the Hotel business? You didn't. Well we've just acquired Centre Hotels. That makes us the fourth largest U.K. hotel operators. With twenty seven hotels in the country, seven of which are in London. Not to mention four more in Amsterdam. In addition to this we have 20 restaurants in London, they're known as the Old Kentucky.

For a copy of the Annual Report, write or phone Anne Grant, Coral Leisure Group Ltd., Berkeley Square House, Berkeley Square, W1X 5PE. Telephone: 01-629 8772.

# Coral Leisure Group Ltd.

# Finance and the family

## Funds into U.K.

BY OUR LEGAL STAFF

Since the end of 1968 I have had funds in a Jersey bank consisting of leave-pay and a pension following retirement from a colonial appointment. Is there a time lapse after which these funds could be moved to England without attracting liability to income tax? Unfortunately, you have not told us enough about your current tax position to enable us to give a clearcut answer.

If you are domiciled in England and Wales (or in Scotland or Northern Ireland) and are ordinarily resident in the United Kingdom, you can bring all the funds from Jersey to England without any income tax consequences. This is because your pension will have ceased to be assessable on the remittance basis at the end of 1973-74, under section 22 of the Finance Act 1974. This point is made clear in paragraph 8.11 (at the foot of page 25) of Inland Revenue booklet IR25.

The Taxation of Foreign Earnings and Foreign Pensions, which is obtainable free at most tax inspectors' offices.

On the other hand, if you are domiciled outside the U.K. or are not ordinarily resident here (for UK tax purposes), the pension will still be assessable on the remittance basis

and there is no time limit of the kind which you were hoping for. Your terminal leave pay could be brought to England without attracting tax (since, unlike your pension, the source of the pay ceased several years ago), but this may not be practicable if the leave pay and pension are inextricably mingled in a single bank account balance. Incidentally, if you are in fact domiciled abroad, or are not ordinarily resident in the U.K., you should be submitting your annual tax returns on the special forms IIR designed for this purpose.

## Non domiciled purchases

Can a U.K. resident but non-domiciled person with no U.K. income and taxed on a remittance basis of income from Jersey (i) buy U.K. stocks and shares and Government securities without attracting tax and (ii) what should he do to buy and sell such securities without transactions being ranked as remittances, constructive or otherwise?

To answer your second question, perhaps we may quote the reply to a similar question published

in the Business Problems column on October 15, 1975: "Opinions differ, but one of the safest procedures is for purchases to be made from a broker in the Channel Islands who deals as principal. Sales should similarly be made to a broker-principal in the Channel Islands. It is of course important that you do not hold U.K. securities up to the date of redemption."

If your first question means "will the income from the U.K. stocks and shares and gilts escape U.K. tax?", the answer is no. (That answer would have to be modified if you were not ordinarily resident, but presumably you are in fact both resident and ordinarily resident here).

## Cessation of employment

A person currently assessed under Schedule D Case II wishes to take up full time employment under Schedule E, but prefers to avoid the rules of cessation (Sec. 118). If he continues for a few hours per week to be self-employed, would he still be assessed on a continuing basis? What criterion is applicable

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

# Insurance

## Differences in approach

BY JOHN PHILIP

A FEW days ago three Appeal Court judges were asked in all seriousness to rule that an employer should not continue his practice of allowing his female staff to go home 5 minutes ahead of their male colleagues, if they were aggrieved men relied on the provisions of the Sex Discrimination Act 1975 which makes discrimination on grounds of sex unlawful.

In passing judgment Lord Denning commented: "To my mind it would be very wrong if this Act were thought to obliterate the difference between men and women; or to obliterate all the courtesy and courtesies which we expect man-kind to give to woman-kind." And so the 400 women employees of Automotive Products can continue to go home 5 minutes ahead of their 3,530 male colleagues.

What you may well ask, has this to do with insurance? Perhaps not very much, but Lord Denning's comments may infuse a modicum of common sense into the activities of the Equal Opportunities Commission, and into the application of the 1975 Act, which was primarily designed to ensure that women have opportunities equal to men, but which inevitably permits men also to complain of discrimination against them.

## Weekend Brief

England and Wales of 137 power stations feeding into what amounts to a massive ring main for the country.

## Bright sparks

COST-CONSCIOUS critics of the management of nationalised industries have from time to time accused Britain's Central Electricity Generating Board of paying exorbitantly for the sort of engineering that provides almost total security of power supplies.

While striving manfully not to criticise U.S. power arrangements, the C.E.G.B. is prepared to say that what New York suffered virtually could not happen in Britain. It is technically possible to conceive such a situation. But in our view it would be extremely unlikely ever to happen.

## Education

### Quality control

SO it is the poor oldies who are to go. Forshaddever a pruning of the State teaching force. Mrs. Shirley Williams announced in Brighton this week that early retirement benefits will be paid to teachers aged 50 or over because of redundancy or in the interests of the education service of their area.

In providing money means that breach of the section amounts to a criminal offence for which the offender can be prosecuted and if convicted punished.

Turning now to the direct insurer-proposer/policyholder relationship, s. 29(1) of the 1975 Act rules that it is unlawful for anyone to discriminate by refusing or deliberately omitting to provide goods, facilities or services of the like quality, in the like manner and on the like terms as are normally provided for one sex or the other.

While this is not a direct approach to things because no one seemed particularly alarmed that the SAA office should be thus treated. It is after all wedged between the Royal Jordanian Airline office and the main Paris showroom of the Israel Tourist Board—a somewhat sensitive strip you might think.

As far back as the 1930s British power engineers were taking advantage of the small size of the country and the large population to develop a true national grid for electricity generation and distribution. The policy has been adhered to faithfully by successive generations of electricity management to a very

The Channel coast is one such weak point. An important grid line runs westwards along the coast from the Dungeness nuclear power station to a cul-de-sac ending in the West Country. Ideally the C.E.G.B. would have linked the west end years ago to the Severn and South Wales areas to complete the ring and offer the south coast an alternative supply route in case of breakdown.

## Other worlds

CHILLY night air took some of the zip out of Paris' traditional Bastille Day celebrations on Thursday but the French capital still managed to make a festive

sudden drop to 50 in the age-hitherto 60 except in cases of illness—at which teachers may retire (or be retired) and receive their full superannuation benefits which, if the local education authority employer wishes, it may supplement.

Perhaps at this point the Education Secretary smiled a characteristically humane smile. But whether or not she did, from anyone who read my last column about the professional practice of passing on dud teachers with glowing references to benefit the prospects of pupils at some other school, the most likely response to this prescription for improving the quality of the teaching force, would be a muttered: "Oh yeah?"

My doubt in her usual candid style, the Secretary for Education and Science told the conference of the Council of Local Education Authorities that a change was needed in this country's policy on the employment of teachers.

The use of the word "unlawful" proposal from a married woman, to require a separate form from the husband, to make as certain maybe that the wife was being used as a protection shield to prevent the husband's more experienced coming to light.

As I have said, relatively few married women insure houses belonging in their own name and because of this fact of life when faced with a proposition from a woman who is not owed or divorced, insurers do not naturally ask themselves the question—why isn't the husband buying the insurance?

I have heard it said that no, when insurers receive, via some proposal from Mrs. Man Smith describing herself as housewife they are not entitled to enquire about husband job. But if in the proposal for which it is used indiscriminate for men and women, insure ask the simple question "is the sole owner of the property?" and follow it up with supplementary questions.

Formula One race in a mediocre car. World Champion James Hunt has just as much talent, just as much determination to win as he had last year.

Although motor racing is more scientific, it is not science. Much development depends on trial and error and keeping a careful eye on what other teams are doing. A lot of attention at Silverstone this week has been focussed on a newcomer to the modern Formula One scene—Renault.

## Science friction

AT SILVERSTONE this week a lot of very talented engineers have been working at the problem that has engrossed them all the year—making racing cars go quicker.

Contributors: Roy Hodson, Arthur Sandles and Brian Ager.

But if she is prevented from removing the bulk of the bad apples already there, she surely has a duty to propose a far greater part of the problem of poor quality, is not simply more of entering. A required break of at least a year before going from school to teacher training would help here. An even better measure would be to make the first year of training a period of "apprenticeship" under close supervision in the schools, followed by a ruthless discarding of those lacking talent for teaching, so that only the potentially good teachers invest any more time in the profession.

I have no doubt that Shirley Williams is personally as unhappy about the problem of

## Investment for children

Referring to your reply of June 18 under Investment for Children, I am involved as a trustee for a trust where the beneficiaries are infants. The Revenue has claimed the 15 per cent Investment Income Surcharge under the Finance Act 1973, not on the basis of the accumulation point mentioned in the question, but on the basis of the discretion given to trustees by statute under Sections 31 and 32 of the Trustee Act 1925. Section 31 (2) specifically states that the power under the section is discretionary and as regards Section 32 (1) the words "in their absolute discretion" are used. Do you think there are any grounds for resisting the Revenue's claim? Sections 16 to 18 of the Finance

Act 1973 bear indications of hurried drafting and, although the wording was improved in some respects during the passage of the Bill, there can be cases of doubt and difficulty on the borderline.

It is dangerous to generalise on complex legislation (especially within the compass of a brief answer, as ours must necessarily be) but perhaps we can say that the existence of a discretion over distribution does not invariably mean that the section 16 surcharge will bite.

Subsection 2 (b) of section 16, for example, exempts trust income from the rate surcharge if, notwithstanding the trustees' discretionary powers, the income is "(before being distributed) the income of any person other than the trustees;

this subsection may let out some at least of the trusts for minor beneficiaries. Without knowing the precise wording of the settlement deeds (or wills) and other background data, we cannot say whether you have grounds for appeal against section 16 assessments. Since the amount of tax at stake presumably does not justify the expense of professional assistance, you are faced with the prospect of studying the provisions of sections 16 for yourself—with copies of the settlement deeds beside you.

Half an hour in a reference library with, say, the British Tax Encyclopedia or Simon's Taxes may make the criteria clearer to you. If you get stuck on a specific point, we may be able to help you further.

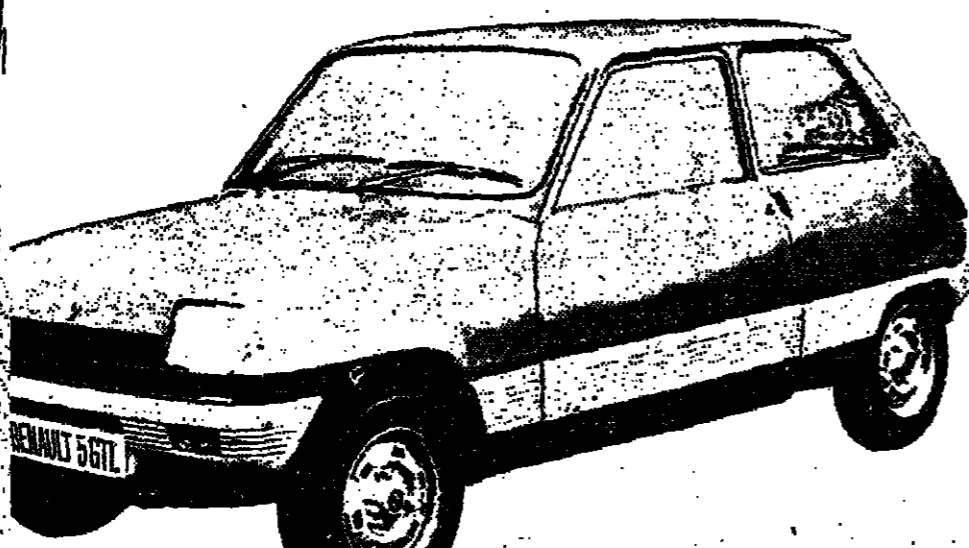
# ENTERTAINMENT GUIDE

CC—These theatres accept certain credit cards by telephone or at the box office

Detailed listing of theatres and performances, including Opera & Ballet, Theatres, and Cinema listings for London and surrounding areas.

Advertisement for a Stockbroker, titled "YOUR STOCKBROKER", highlighting services and investment opportunities.

Motoring



igh the DoT rates the Renault 5 as an estate car, it would still cost only £50 per annum to tax...

More or less a car

QUART MARSHALL

ANSWER to the question is a car not a car? It is a car when it is a hatchback...

ton and 11 tons (say, a Ford Cortina estate) you pay £70 a year and for a really big, heavy estate like a Volvo 245, the tax is £84 per annum.

DoT's engineers used as their yardstick. Why, for example, is the two-plus-two hatchback Renault GTE rated as "private" when the smaller, two-plus-two hatchback Fiat 128 3P Berlina is considered an estate?

Golf

Time for a change

BY BEN WRIGHT

IT IS too easy for words at this, the half-way stage of the season, to castigate Britain's professionals for their pathetic performances so far.

invaders from that continent filled the first eight places, and only honest Tommy Horton managed a tie with three more Americans for ninth place to prevent a transatlantic sweep of the top ten in the Open championship.

has caused us to be relegated from our traditional position as the premier golfing nation in Europe. I have not forgotten that the English team won the Double Diamond International matches at Gleneagles last August or that Tony Jacklin's inspiring leadership of the Great Britain and Ireland team sparked off a 20 points to 10 drubbing of the Continent of Europe, in France last September.

week, and each time is duly impressed by the eager new material from the caddy shacks on which he has to work. Few are likely to have forgotten that Jacobs not only coached our victorious Walker Cup team in 1971, but forecast their triumph months in advance because the Americans, in striving to imitate Jack Nicklaus, had become far too upright for their own good.

the professionals. Over some years spent withing alongside Jacobs I have both staggered and touched the desperate pleas for him to make to him daily by many of the best golfers in the world.

Stamps

Global Rubens

PETER PAUL RUBENS, the quatercentenary of whose birth is currently being celebrated, was not only one of the foremost representatives of the art of his epoch, European Baroque, but also one of the greatest painters of all time.

The opening of this exhibition on June 23 coincides with the release of a 5 franc stamp depicting the self-portrait preserved in the Rubens House, Antwerp.

The 10pf stamp reproduces one of his best-known works, "The Bath of Bathsheba," This was originally produced in 1835 by Rubens as one of the paintings which decorated the triumphal arches in Antwerp to celebrate the arrival in the Spanish Netherlands of Ferdinand of Austria.



with the Rubens children appears on the Frs.8. These paintings are now in the Rijksmuseum, Amsterdam and the Louvre respectively.

France, and this incident preserved for posterity in fine portrait of the ex-French queen, reproduced permission of the Frs.100 stamp issued on May 3, including a portrait of the Duke of Buckingham (1 franc), which Rubens first met in Paris in 1625 when they negotiated an agreement between England and Spain.

Chess

TERAN class in many respects now starts a reflection of the wide attention of master technicians which enables young players to reach expert standard while still in their teens.

White: Dr. M. Euwe. Black: J. H. van Eslerie. Opening: English (Rotterdam, 1877). The opening moves were: 1. P-Q4, N-K3, 2. N-Q3, P-K3, 3. P-K3, P-Q4, 4. P-N3, N-P3, 5. B-N2, N-K1, 6. N-P4, P-Q4, 7. R-N1, Q-E2, 8. Q-R4 ch, N-Q2.

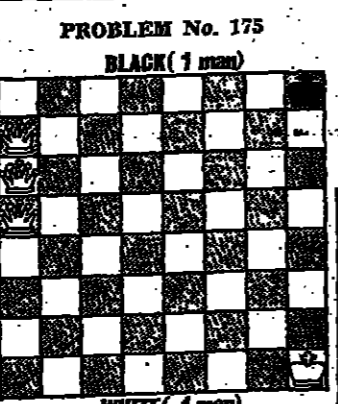
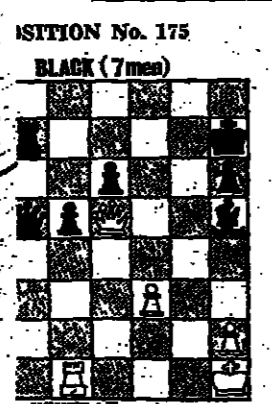
undersized who toured Europe giving displays at age seven and still in action at 65 despite two heart attacks in the past year. In this game from a U.S. championship a few years ago, he wins by an original zig-zag manoeuvre which transports the white rook from QR1 to KR8.

White: S. Reshevsky. Black: Dr. K. Burger. Opening: Nimzo-Indian Defence (New York 1969-70). The opening moves were: 1. P-Q4, N-K3, 2. P-QB4, P-K3, 3. N-QB3, B-N5, 4. P-K3, O-O, 5. B-Q3, P-B4, 6. N-B3, P-Q4, 7. O-O, N-B3, 8. P-QR3, P-BP, 9. B-P4, B-R4.

White: S. Reshevsky. Black: Dr. K. Burger. Opening: Nimzo-Indian Defence (New York 1969-70). The opening moves were: 1. P-Q4, N-K3, 2. P-QB4, P-K3, 3. N-QB3, B-N5, 4. P-K3, O-O, 5. B-Q3, P-B4, 6. N-B3, P-Q4, 7. O-O, N-B3, 8. P-QR3, P-BP, 9. B-P4, B-R4.

After four games in the 16-game world semi-final match between Viktor Korchnoi and Lev Polugayevsky, Korchnoi led 3-1, 10 to 9 other semi-final, between Lajos Portisch and former world champion Boris Spassky, Portisch led after three games by 2-1.

LEONARD BARDEN



PROBLEM No. 175. BLACK (7 men) WHITE (4 men)

Bridge I HAVE often been asked, not only by my readers but by Bridge-playing friends, to explain the Squeeze, so I think that today we will take a look at this pressure play from two different viewpoints, the declarer's and the defender's.

South bid four hearts, and all opening lead in dummy, he cashed three top diamonds and found the 4-2 break; then he cashed the three top clubs with the same result. The contract was now hopeless.

TOR CARS

The Chequered Flag

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With both sides vulnerable South dealt and bid two no trumps, and North, who would have raised one no trump to six, felt that he had to bid seven.

West led the ten of spades, and the declarer proceeded to play the hand like a farmer's boy. He had 12 top tricks, and decided that his contract depended on a 3-3 break in one

North dealt at game to East-West, and after two passes

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The Arts

Time Regained

BY ANTHONY CURTIS

Who mutilates the wise through... made an exhaustive inquiry... Old scores involving the Congo... during a fascinating 45 minutes...

made an exhaustive inquiry... into Dag's career... Old scores involving the Congo... during a fascinating 45 minutes...

Adriana Lecouvreur

MAX LOPPERT

range choice at first it his feeling for, and employment... Francesco Cilea's... Lecouvreur for the... College of Music opera...

Thursday's performance... of three, acted and sung... useful freshness instead... shine, and simply pre-

Quick visit to the National Gallery

Quick visit to the National... want to be directed immediately... a brief guide to 16 of... to some of its most important...

Meetings at La Rochelle-1

BY DOMINIC GILL

Since the famous débâcle... four years ago, when Claude... Samuel took off from Royan... found a new festival a few kilo-

Both have their virtues... year has remained (though next... the critic Maurice Fleuret takes... over the festival direction, and...

It was a splendid idea to... present each of the Sequenza... individually as the subject of a...

The new Sequenza VIII for... violin was played by its dedi-... cated, the young Italian Carlo...

It was left to the pair of earlier... works, Laborinus II and Sin-... fonia, as well as to the more...

Theatres this week

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EXPERIENCE AND EXPERTISE... Dardanelles Campaign £1 note, with Arabic overprint in red. Sale, Tuesday, July 26th.

In the sale of Coins, Medals and Banknotes on July 26th there are a number of interesting modern banknotes...

Another interesting item is a 5 Shilling note issued in 1941 by the Bank of England on instructions from H.M. Government...

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SOTHEBY RECORDS... In the sale of the contents of Mentmore on behalf of the Executors of the 6th Earl of Rosebery and his family, this rare seventeenth century North German amber games board for chess, nine men's Morris, draughts and backgammon realised £32,000... Sotheby's

THE FUTURE OF PAY AND PRICES POLICY



Mr. Denis Healey leaves 11, Downing Street, for his statement in the House. The Government and TUC recognised that there must be an orderly return to collective bargaining, he told MPs.

Chancellor rouses supporters as Tory attack dies away

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE SELF-CONFIDENCE of Mr. Denis Healey grew visibly in the Commons yesterday as he made his statement on the Government's proposals for the pay and prices policy which will follow the termination of Phase Two at the end of July.

After the tribulations of the long discussions with the trade unions and the row over the abandonment of the Government's White Paper on Phase Three, the Chancellor was clearly expecting trouble.

In the event, his apprehensions were completely unfounded. In spite of a perfunctory attempt by Sir Geoffrey Howe, the Shadow Chancellor, the Tory attack never got off the ground.

There was, however, a strong note of dissent from Mr. Reg Prentice (Lab., Newham NE) who thought that the new pay formula was dangerously vague compared with the 5 per cent figure which had been widely canvassed by ministers.

Healey urges 10% pay ceiling as income tax is cut by 1p and child benefits are increased

The Government intends to urge in the public and private sectors that the "general level of pay settlements should be moderate enough to secure that the national earnings increase is no more than 10 per cent."

This formed the main theme of a statement in the Commons yesterday by Mr. Denis Healey, the Chancellor of the Exchequer, who also announced plans to cut the standard rate of income tax by 1p, further aid to the construction industry and child benefits from next April.

The Government continued to regard the mastery of inflation as the pre-condition for success in returning to full employment. Mr. Healey said: "In the last two years the nation has derived immense advantages from the guidelines on pay which the TUC has formulated in agreement with the Government."

On June 23 the TUC General Council made a major contribution towards these objectives by publishing guidance on the strict maintenance of settlements made under the current policy.

It is the keystone for an orderly return to collective bargaining. It means that the Phase Two policy will continue to affect the level of the nation's earnings until the last settlement made under it expires at the end of July 1978.

The effect, said Mr. Healey, would be to facilitate a phased return to normal collective bargaining. For most people the settlement would be the same until the first half of 1978. By that time there was a good chance that, thanks to the strict adherence to the TUC pay policy in the past year the rate of inflation would be approaching, or would have reached, that of our major competitors.

Mr. Healey went on: "The TUC does not think it practicable for them to give general guidance on the level of pay settlements in the next round when the 12 months has expired for the bargaining group concerned."

Mr. Healey told him that he had assured the TUC that an extent not being maintained in spite of wages being held within the guidelines, he would consider "what fiscal action is most appropriate to correct the situation."

In addition, the TUC had assured the Government that it intended to recommend to Congress the guidelines which had drawn up on the observance of the 12-month rule.

The improvement in the economic prospect since the Budget—in particular the improvement in the balance of payments—made it possible for Mr. Healey to make the following proposals in the field of taxation, prices and employment.

Tax relief

"I propose that the reduction already agreed in petrol duty should take effect from 6.00 p.m. on August 8. I do not intend to look for offsetting tax increases elsewhere."

Dividends

On Dividend Control and the Remuneration, Charges and Grants Act 1975, Mr. Healey said: "The Government proposed to reduce the rate of dividend tax from 30 per cent to 20 per cent."

Earnings

The effect, said Mr. Healey, would be to facilitate a phased return to normal collective bargaining. For most people the settlement would be the same until the first half of 1978.

Realism

Mr. Healey added: "Mr. Speaker, in deciding on the measures which I have announced this afternoon, the Government has taken account of the progress achieved in the balance of payments since the Budget of the guidance given by the TUC for a phased and orderly return to normal collective bargaining and of the revised prospects for the PSBR in 1977-78."

Expenditure

On public expenditure, Mr. Healey said the Government would maintain its strict control. The cost of the public expenditure measures in the current year would be found from within the contingency reserve so that no change would be required in the year's planned total for public expenditure.

Observe cash limits—Ezra

SIR DEREK EZRA, chairman of the National Coal Board, commenting as chairman of the British Institute of Management, said pay increases in the private and public sectors would have to be kept at a level which would enable the country's current economic objectives to be fulfilled.

CBI warns unions on latest claims

THE CHANCELLOR'S statement in the shops here at home and was greeted critically by the Confederation of British Industry, CBI, said: "The Government has failed to achieve a third year of voluntary pay policy."

Maintain in

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THE FUTURE OF PAY AND PRICES POLICY

TAX CHANGES

Maintaining the Budget thrust in favour of families

TABLE 1

Table with 4 columns: 1976-77, Budget Proposal, 'Rooker' Amendment, Report Stage Amendment. Rows include Person's Allowance and Earned Income Relief, Allowances, Single Married, and Personal Allowance.

HANCELLOR announced will amend the Finance Bill... The Report stage of the Finance Bill...

reduction in the basic rate it is necessary for the Inland Revenue to reprint the tax tables used by employers...

The basic rate of income tax is always in line with the rate of Advance Corporation Tax...

Revenue automatically, according to a Press statement made by the Inland Revenue...

There are a number of payments from which the payer is required to deduct income tax...

At that same date, a Treasury statement made it clear that companies would be permitted if they so wished...

The company may therefore pay additionally: £10,000 to shareholders £5.15 to the Inland Revenue...

There are a number of payments from which the payer is required to deduct income tax at source: annuities, royalties and particular types of interest...

David Wainman

TABLE 2

Table with 6 columns: Income, Amount taxable after allowances, Marginal Rate proposed, Benefit from rise of £70 in Personal Allowance, Benefit from reduction in 1% in Basic Rate, Total Benefit.

CHILD BENEFITS

Helping mums but not the dads

PROPOSED increases in benefit payments from 1978, highlight the Government's determination to continue social security improvements...

the father. But it was decided in agreement with the Labour Party and the TUC to phase in the changeover in three yearly steps...

of providing more financial help to single parent families by increasing the additional benefit paid for the first child...

The Government is also providing further help to the lower paid by increasing Family Income Supplement payments...

Realised

The final phase will occur in April 1979 when the remaining tax allowances for children under 11 will disappear...

benefits replace the old family allowances and allowances. The effect since child benefits are tax free, the changeover provides net pay to the mother...

Eric Short

VALUE OF CHILD BENEFIT CHANGES IN APRIL 1978 WHAT MOTHERS DRAW

Table with 3 columns: Family Allowance before April 1977, Child Benefit from April 1977, Child Benefit from April 1978. Rows for 1, 2, 3, 4 children in two-parent families.

CHANGES IN CHILD BENEFIT

Table with 3 columns: Increase in Child Benefit, Reduction in take home pay resulting from reduced child tax allowance, Overall Gain. Rows for two-parent and one-parent families with 1-4 children.

Note: The second table applies to basic rate taxpayers not on social security or on a reduced benefit. \*£1 a week premium for 1 parent families included.

PRICE CONTROLS

A possible Government weapon

IS now nothing new in the idea of using price controls to monitor a pay policy...

If the Government wants to clamp down on employers who when the annual wages agreement is renegotiated, give a first wage increase...

companies have to justify individual price increases to the Commission, would have been effectively continued. When asked yesterday how the price control would be used...

Eric Short

Deduction

Under the original proposals for revising the existing profit margin controls, published last month, the price controls would have been used to monitor adherence to the pay policy in two different ways...

Under the original proposals for revising the existing profit margin controls, published last month, the price controls would have been used to monitor adherence to the pay policy in two different ways...

Eric Short

AID FOR INDUSTRY

Fresh incentives

DETAILS OF the Government's latest financial incentive for manufacturing industry - a new product and process development scheme...

New product development is a key element in the industrial strategy programme. The work so far has revealed the concern in some industries about the way the developing countries are not only processing their own raw materials...

Developments such as these will have substantial implications for manufacturing industry in Britain. If we are to compete successfully in changing world markets...

David Wainman

By far the major share of extra £70m for industry which the Chancellor promised yesterday will certainly go to the ferrous foundry scheme...

It seems, though, that the Department has gone half to meet the possible demand for another £60m to 'kitty'. And there could be more to come because so far the Department says proudly...

Compared with the ferrous foundry scheme, the one pointing early with a determined effort by the Department of Industry to 'sell' to the industry and the fact that the machine tool makers...

Kenneth Good

CONSTRUCTION

Every little bit helps

THE CONSTRUCTION sector was last night openly surprised by Mr. Healey's decision to inject an additional £100m into the industry during the current financial year.

Only last month, the combined ranks of the building and civil engineering industries, together with the professional bodies concerned, were left in no doubt by the Prime Minister that they could not expect any immediate help in overcoming the present crisis...

Construction output last year fell by 4 per cent, and a further drop in new building work of 5 per cent during 1977 is expected to be followed by a fall of 4 per cent in 1978.

But although the construction sector was ready to welcome yesterday's surprise news, it was equally quick to point out that the latest package remained comparatively insignificant when measured against the volume of work that recent Government decisions had expected to be firmly on improvement work and rehabilitation...

Michael Cass

this type of work is that labour intensive, and more spent in this direction can have the greatest impact on the industry's unemployment situation.

Apart from expenditure improvement work, money also expected to find its way into small public works projects such as water and sewerage schemes and on local road works and social services. About £1 will be devoted to health projects, with another £2m spent on personal social services involving the mentally ill, elderly and the handicapped.

The building society last night emphasised that Chancellor's decision to reduce the basic rate of income tax to 1p and not 2p in the pound was not expected to lead to a big mortgage rate.

Eric Short

PENSIONS

Improvements permissible

THE DECISION to remove pension improvements from any sum benefits-on-death in service pay code, restrictions will be warmly received by the pensions industry which has been pressing for this action over the past two years.

Under Phase One no improvements in occupational schemes could be made unless negotiations had started before the start of the pay policy. Under Phase Two only improvements necessary to qualify for the minimum contracting-out levels under the Social Security Pensions Act 1975 were allowed.

This action was bitterly opposed by all sections of the pensions industry. It meant that no back service provision

could be made, nor could lump sum benefits-on-death in service be introduced. The main sufferers from these restrictions would be widows and new entrants to the scheme - mainly manual workers - who had only a few years to go to retirement.

Now employers and employees will be able to negotiate worthwhile improvements in pension scheme benefits, and the pensions industry feels that it will just be able to put any improvements into effect by April next year when the new State pension scheme comes into operation. The main effects will be that pensions based on 1/80th of earnings instead of 1/80th for each year of service can be paid. Full capital sum after death in service will be allowed of up to four times salary. Full widows' pensions will be the limits imposed by the Inland Revenue.

There were strong indications that many employers were deferring pension decisions in the hope that full improvements would be made. Now negotiations can go ahead. But if employers have implemented minimum improvements, further alterations are exempt from the 12-month rule.

Eric Short

Inland Revenue guide to the changes in taxation rates

FOLLOWING Inland Revenue notes give guidance on the deduction of tax from annuities, etc., and second, about advance corporation tax.

2-Where payments have been made on or after April 6, 1977, from which tax has been deducted at the rate of 35 per cent, the over-deduction will be adjusted as follows:-

(a) Interest from public funds and foreign dividends paid in the United Kingdom. HM Inspector of Taxes, on application by the recipient, will either repay the excess tax deducted or make an appropriate allowance against some subsequent tax assessment. Applicants for repayment will need to furnish evidence (normally counterfoils obtainable from the paying agents or bankers) showing that they have suffered deductions of the amounts claimed.

It will be the payer's responsibility to repay or make good to the recipient the amount of any excess deduction of tax made by reference to the earlier rate of 35 per cent. This will usually be done at the time of the next payment of a similar nature.

4-The proposed change in the rate of ACT maintains the link between the 'tax credit' attached to the dividend and the basic rate of income tax. Up to April 5, 1977, the credit continues to be 35/65ths of the dividend, so satisfying the basic rate of income tax of 35 per cent. From April 6, it will be the new fraction of the dividend and this will satisfy the new basic rate of income tax on the total of the dividend and the credit.

shareholders will need take no action about this themselves; if they are due to receive payment of the tax credit the Inspector will pay them the correct amount, that is, calculated at the new fraction of the dividend, and if they are liable at the basic rate they will not be entitled to any payment - their liability will be in no way affected.

6-The rate of ACT is fixed by reference to a financial year (April 1-March 31), but under the provisions of Section 103 (5) (a), Finance Act 1972 the new rate will apply only to those qualifying distributions made on and after April 6, 1977.

of rate. As soon as practicable after the passing of the resolution companies should show tax credit calculated at the new rate on warrants for dividends (see paragraph 5 above).

8-On enactment, any company which has paid ACT at the rate of 35/65ths in respect of a distribution made on or after April 6, 1977, will be entitled to repayment of the difference between ACT at 35/65ths and ACT at the new rate. Companies may either make the necessary adjustment to their next ACT payment for a subsequent return period showing the details clearly on the relevant form CT61, or apply in writing to the appropriate Collector of Taxes for repayment giving full details.

of rate. As soon as practicable after the passing of the resolution companies should show tax credit calculated at the new rate on warrants for dividends (see paragraph 5 above).

9-Franked investment income (FII) received is set off against the same amount of franked payments made. This cancels the ACT otherwise payable in respect of the distributions. (a) Insofar as pre-April 6, 1977, FII has already been set off against franked payments made after April 5, 1977, the payment made before April 6, 1977, and ACT in respect of the distribution accordingly either paid or repaid. This set-off will no longer be possible (Section 103(5)(b), Finance Act 1977). The result of cancelling this set-off will be that further ACT is payable. After enactment, companies concerned will be visited individually how to make payment. This ACT will not be available for set-off against mainstream income tax in the ordinary way. Franked investment income will be released for set-off against subsequent franked payments.

(d) In some cases, post-April 5, 1977, FII will already have been set off against a franked payment made before April 6, 1977, and ACT in respect of the distribution accordingly either paid or repaid. This set-off will no longer be possible (Section 103(5)(b), Finance Act 1977). The result of cancelling this set-off will be that further ACT is payable. After enactment, companies concerned will be visited individually how to make payment. This ACT will not be available for set-off against mainstream income tax in the ordinary way. Franked investment income will be released for set-off against subsequent franked payments.

10-Questions relating to payment or repayment of ACT should be addressed to the Collector but questions about operation of the legislation generally and such matters as calculation of surplus franked investment income should be directed to HM Inspector of Taxes dealing with the company's corporation tax liability.

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THE GAMEKEEPER'S LOT by JOHN CHERRINGTON

No time for Lady Chatterley



“ He has his faults; notably, a hastiness of temper towards his undermen and towards labourers, and wood-cutters who transgress his rules. He is apt to use his ground-ash stick rather freely without thought of consequences, and has got into trouble more than once that way. When he takes a dislike or suspicion of a man, nothing will remove it. . . . He hates cordially in the true pagan fashion of old. He is full of prejudices, and has some ideas which almost amount to superstitions. . . . Such is this modern man of the woods.”

RICHARD JEFFERIES, THE GAMEKEEPER AT HOME, 1896, ILLUSTRATED BY JAMES WEST

An unchanged package

SINCE THE miners and the transport workers voted to abandon all restrictions on the resumption of free collective bargaining after the end of this month, the Government has been faced squarely with the need to continue its struggle against inflation without the active assistance of the TUC.

It is therefore significant that the mini-package of measures which he announced is almost identical with that which he had in mind when there was still hope of some understanding with the TUC. The reduction of the petrol tax is to be accepted, the increase in the personal tax allowances is to be retained (if Parliament agrees) in a modified form, and to balance the standard rate of income tax is to be cut by only 1p.

Public sector
The emphasis of this reshuffle is on help to those who need it most badly. The main theme of Mr. Healey's speech, in fact, was that if the average rise in earnings over the coming year does not exceed 10 per cent, these measures will allow living standards to be maintained — a somewhat rash undertaking to give, perhaps, when the rate of inflation is still so high and the future so uncertain as always.

Letters to the Editor

Unarmed police

From Mr. Gerard D. Harrison. Sir—While agreeing completely with the comments made on the British Police by your correspondent Mr. D. Henderson (July 11), may I for the sake of accuracy point out, that since their foundation in 1922, when Ireland became independent, the Irish Police like their colleagues in Great Britain, remain unarmed while carrying out their normal duties.

Merchant banks

From Mr. Geoffrey Mills. Sir—If we cannot expect and require that the merchant banks should prod sluggish managements and torment bad ones (Lombard, July 7) then who can play this role? The unions, as in Bullock in Wonderland? Certainly not the institutions. With individually low percentages and widely spread holdings they cannot have the involvement, nor indeed the interest, to do more than decide to buy in or sell out, leaving the role of inducing improvement and change in bad managements to others.

because he is well liked by the executive, has some knowledge of the business and its nice to give a pal some easy going cash! To the rest of us he is merely a faceless name. How do we assess, as shareholders, if he is worthy of a salary which we, in less than the smaller companies, prefer to have private. As in all good businesses, the employees of this department would be promoted by results and would earn bonuses for the efficiency and speed with which they carried out their tasks.

Tax at source
From Mr. V. Sharman. Sir—I shall feel grateful if the Revenue or a bank official can tell me why, when one is in receipt of bank deposit interest the bank on payment of that interest cannot on request deduct income tax at source. The alternative is the present unsatisfactory cumbersome method where (if one is not careful) one can be considerably overcharged over a period of years.

Sleeping partners
From Dr. A. Adair. Sir—As a puzzled investor, rather ignorant of the functions of big-business executives, I have on several occasions been asked on proxy-cards to sanction very large increases in payments to non-executive directors on the ground that they do a "lot of hard work and accept considerable responsibilities, just as do executive directors." What then is the difference? What sort of "hard work" do the non-executives do? Am I justified in recommending an increase in their salaries from, say, £3,000 p.a. to £5,000 p.a.—even on the grounds that there has been no increase for five years?

Bureaucratic burden
From Mr. K. G. Pearson. Sir—The obscenity in our society is not the capitalist, the speculator or even those who rob banks and trains. The obscenity is in the sheer size of the bureaucracy. The root cause of much of our financial trouble is the burden imposed upon us by this unproductive part of our community. But there is a solution—and a very simple one at that.

Crime and punishment
From Mr. M. Barak. Sir—The benign posturing of Lord Longford in his attempts to free remission of jail sentences imposed on convicted criminals, such as Myra Hindley would be funny if it were not so sinister. He seems to have forgotten that the penalties were awarded by experienced and humane Judges, and just punishment for the crime committed. The criminals concerned have preyed upon their fellow-beings. They have chosen their livelihood in the full knowledge of the penalties which they may have found that ACAS acted properly within requirements of the Employment Protection Act, and in the particular instances in which it found itself in this case, but I do not think he sought to express an opinion on the merits or otherwise of a recognition of APEX, let alone to give legal enforcement to an ACAS recommendation.

Bank charges
From Mr. T. Campbell Northcroft. Sir—One of our Italian principals recently had occasion to send us the sum of £51.49 in Edinburgh.

I HAVE never been a great fan of the gamekeeper. Not I hasten to add, because I feared to suffer the fate of the employer of Lady Chatterley's lover, it goes much further back. To my school days when shaking with fear and with a pocket full of pheasants' eggs I laid under some bushes and watched the gattered legs of the keeper passing within a few feet of my nose. Fortunately he had no dog with him, so I was undiscovered.

This, you might well say, is no proper basis on which to make an objective assessment. I was undoubtedly trespassing on someone else's land and taking the eggs of someone else's pheasant. But fortunately for young boys, the law on these points is vague. To succeed in a prosecution for trespass, damage has to be proved and I had done none and the eggs I had in my pocket were "from a nest on the roadside and therefore from a wild bird". I might have had difficulty in convincing either the keeper or a rural bench of magistrates of the validity of my defence, but it was as good a case as I could think up in the terror of the moment.

However irrational my attitude, it is, I believe, quite widely shared in rural areas. I saw no reason to change it when for some years before the war I was a tenant farmer. Rents in those days were very low, and landlords naturally enough valued their shooting highly. This meant that on many estates the keeper was the most powerful figure. If he said that such and such a tenant was not co-operating, it was enough to bring a notice to quit, or at least a row. Farmers and farm workers resented the keeper as an alien spy and informer.

On many estates it used to be a clear case of power corrupting, because not only had the keeper absolute sway over the tenants and farm workers, but he had a considerable ascendancy over the owner especially because the rich city man and the syndicates had begun to replace the old landed families. These self-made men might have known a lot about the nuts and bolts of their particular businesses, but were innocents in the ways of game and gamekeepers and they gave the latter a very free hand.

This was serious for the countryman, because keepers mainly used to achieve their object of providing enough and game preserving do not live several years but there has been used to be said before the war a noticeable increase in that every pheasant put over numbers as a consequence. There were a few more about a crown, the figure now in present farm about 40 years ago last autumn following the drought which would have ensly even more. But few people encouraged the survival of broods, cost this accurately. In the enormous stock of partridges which flourished there, as they did on many Hampshire farms. The grain crops were full of weeds, particularly charlock, which produced masses of seeds

that the shortage of hawks was due to the use of DDT. Pole traps may no longer be in evidence, but there are other means of keeping predators down. Oddy enough the worst predator of the lot, the fox, is regarded with mixed feelings and by the keeper. In hunting districts a landowner who cannot show a few foxes in his covert can suffer considerable social ostracism. On one estate I even saw a vixen and her cubs wired in to be released for the local hunt when any harm she could have done to the nesting birds would be over.

Since the war great changes have come over the shooting scene. Farming is now paramount on all but a tiny minority of estates and modern farming to keep the birds through the autumn and winter on the unploughed stubbles. Farming techniques today demand early grass cuts which destroy the nests; weeds are killed which removes the feed, and stubble is burnt and ploughing is done early—all of which makes life hard for the partridge. Many landowners have devoted enormous efforts and cash to improve partridge stocks, and while some have succeeded to some extent, the birds have had to be managed and fed intensively, to get what the shooting man would call a reasonable stock. The prospects for an increase in natural partridges are very limited. I have not allowed one to be shot on my farm for

several years but there has been used to be said before the war a noticeable increase in that every pheasant put over numbers as a consequence. There were a few more about a crown, the figure now in present farm about 40 years ago last autumn following the drought which would have ensly even more. But few people encouraged the survival of broods, cost this accurately. In the enormous stock of partridges which flourished there, as they did on many Hampshire farms. The grain crops were full of weeds, particularly charlock, which produced masses of seeds

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LAWSON HIGH YIELD FUND
12.0%
PAID QUARTERLY
The Lawson High Yield Fund has remained among the leaders of the high income trust and the portfolio split offers investors a higher starting income than if based entirely on equities with some growth prospects for the future.

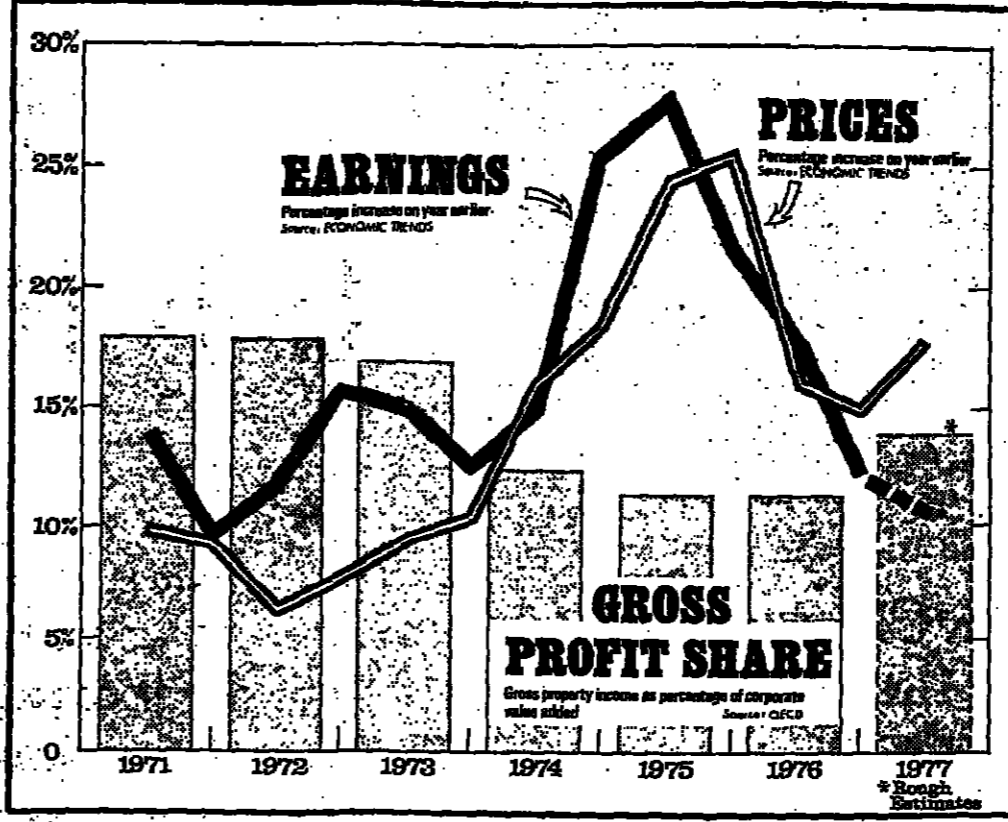
Rank
New fo
The financial times Saturday July 16 1977

THE FUTURE OF PAY AND PRICES POLICY

WAGES, PRICES AND PROFITS

The public sector will be the battleground

THOSE who cannot learn from history are really destined to repeat it, the situation today is hardly more depressing than the echoes of the past are...



to survive because corporate taxes have been cut to vanishing point through stock appreciation relief and investment allowances; it is not fanciful to suggest that wage inflation has been financed out of the Government's lost revenue.

By now, however, companies have nowhere to turn for further relief. Furthermore, the depth of the present recession greatly improves the economics of standing up to unreasonable claims. A company which can fulfil all the orders it is likely to get in ten months working, which is about the average suggested in recent surveys, has little to lose by facing a shutdown of a few weeks. Indeed, the wages saved may even improve its cash flow.

Companies not only have their backs to a wall of minimal profits (the fact that large illusory gains are reported on a historic-cost basis could prove something of a national tragedy, as well as a professional reproach to the accountants) they also face, for the first time, keener competition. Growing import penetration, partly a result of EEC membership, is a potential check on price increases. It would be far more effective if the Government stopped talking about protecting competitiveness through the exchange rate—a policy which is in fact in suspense while sterling is pegged to the dollar.

Willingness to fight disputes is unfortunately at the centre of the problem, for memories of inflation are not the only reason why unreasonable claims are likely to be lodged. Memories of successful strikes also play an eloquent part. It is one of the tragedies of incomes policy that

Rhetoric The most significant thing about the NUR claim, however, is that it has been made in the public sector, on a day when the unions in Ford motors have launched a 15 per cent claim. This in turn implies a much larger rise in earnings, and is a great deal more than the company will willingly concede, but it does provide some basis for bargaining. The contrast between public sector rhetoric and a fairly realistic try-on in the private sector is the real key to understanding the challenge which now faces the Government.

agreement will mean some delay before the heavy negotiations begin. There is a very real hope that the situation will then appear a good deal more encouraging. Inflationary expectations, and with them the notion of a just wage, may then assume less alarming proportions.

However, wage-bargainers are bound to be to some extent backward-looking in assessing what they would like to achieve in an ideal world, and discussions may well be haunted by the totally unrealistic real incomes achieved, through had a very severe financial

fringe. The pressure on gross margins, which have in fact been halved since 1965, is something which has been experienced in hardly any other country. The return on industrial capital has been falling in virtually every industrialised country, as a natural consequence of growing capital intensity; but the corporate share of net sales income, or value added, has remained virtually constant, as it was in the country for many decades before the mid-1960s. The company sector has only been able

to survive because corporate taxes have been cut to vanishing point through stock appreciation relief and investment allowances; it is not fanciful to suggest that wage inflation has been financed out of the Government's lost revenue. By now, however, companies have nowhere to turn for further relief. Furthermore, the depth of the present recession greatly improves the economics of standing up to unreasonable claims. A company which can fulfil all the orders it is likely to get in ten months working, which is about the average suggested in recent surveys, has little to lose by facing a shutdown of a few weeks. Indeed, the wages saved may even improve its cash flow.

THE CHANCES FOR PAY RESTRAINT

Rank and file expect big rises

THE pay restraint core of the social contract between government and trade union eventually died. It was not with a bang but an whimper, and in the same respectful sadness, the official silence on the Chancellor's statement yesterday.

There will be no formal renewal of the panegyric at the end of the week. The economic committee meets on Tuesday night to spare a considered view, though yesterday's Commons can have contained surprises for union leaders have twice met senior members of the TUC.

Unanimous Endorsement of such a norm by the TUC was sought by the Chancellor to the very last in his exchanges with union leaders but in the end the message was unanimous: they could not deliver.

By comparison with some of the more lavish-looking claims of recent weeks the sober-toned message presented to Ford management by the unions yesterday is a masterpiece of moderation. Mr. Moss Evans, who will next year succeed Mr. Jack Jones as general secretary of the Transport and General Workers Union, has a close personal association with the Ford negotiations and the claim can thus be viewed as what Britain's largest union sees as the realistic pitch of pay demands in a successful company after the expiry of Phase Two. And yet the increases of 15 per cent on basic rates plus a series of other valuable benefits still considerably exceed the Chancellor's

view of an appropriate level of increases if his reference to a national earnings increase of no more than 10 per cent are applied on a settlement-by-settlement basis.

However, Mr. Evans' argument which is likely to become widely used by negotiators in the coming months, stressed yesterday that he does not believe this is what the Chancellor is after. "Adjustments will have to be made to meet individual needs, so some may receive more than 10 per cent. That is a sensible, responsible approach."

Such an approach will certainly find favour with union leaders like Mr. Clive Jenkins, general secretary of the Association of Scientific, Technical and Managerial Staffs, who is keen to start negotiations with some employers in his sector with their capacity to pay as the main determinant of the settlement level.

Direct action in the public sector apart, therefore, the chances of the Government being able to persuade negotiators to pursue single-figure norms in coming claims appear blighted by expectations which have built up before Phase Two even expires. The true level of coming claims will be further aggravated if negotiators push for consolidation of the £8 and £2.50-£4 supplements under Phases One and Two into basic rates—an expensive exercise for some employers—before even setting their targets for the coming pay round. And there remains the further danger that as well as going for direct increases some negotiators will seek to exploit the TUC's support for self-financing productivity deals—written into the TUC's latest pay guidelines for the benefit of the miners, who then decided last week that they did not want such an agreement after all—with results which may not always be either self-financing or productive.

But, regardless of the likely level of future claims, when will they come? Will the 12-month rule, which in the course of the year has taken on an ever-increasing role in the struggle of other measures dimmed, hold together? The most certain prediction now is that those unions and groups of workers who have not yet settled for £2.50-£4 increases under Phase Two will now disfigure last month's warning from the TUC General Council that they must do so and seek to negotiate settlements for introduction after August 1. Only hours after Mr. Healey's statement yesterday the council of the Merchant Navy and Air-line Officers' Association, one of the biggest groups yet to settle, decided to take this course and it will be approaching the shipping employers with a claim for at least 17 per cent, based on rises in the cost of living.

SUBSIDIES

New food price rises cancelled out

FIRST, and most expensive, included in the Chancellor's statement under the "price reductions" is the kind of price cut a farmer would recognise. By using the money the Government planned to spend on subsidies this year from £220.5m, the Chancellor is merely cancelling out what would otherwise have happened. He has not increased the food budget by enough to offset other price rises subsidised foods taking place.

being added to the food subsidy budget, though the price of gold top milk from the Channel Islands will still go up by 1p in the autumn. In all the Government now plans to spend £220.5m on food subsidies in the present financial year thus preventing a rise of about 0.4 per cent in the RPI and 1.7 per cent in the food index. The balance of the extra funds is needed for the butter subsidy, which was reintroduced in May at a rate of 10p a pound and which is only partly financed by PEOGA (the Common Market farm fund). Unless the Government changes its forecasts, the price of both milk and butter will have to go up sharply next year when the

Economic Diary table with columns for Day, Event, and Details. Includes entries for Monday, Tuesday, Wednesday, Thursday, and Friday.

A FINANCIAL TIMES SURVEY

VENEZUELA SEPTEMBER 30, 1977

The Financial Times is preparing to publish a survey on Venezuela and the main headings of the proposed editorial synopsis are set out below. INTRODUCTION Venezuela after the nationalisation of its oil industry: President Perez and the problems of affluence. OIL PRODUCTION The experience of Petroven since nationalisation: prospects for new sources of crude from the Orinoco tar belt and from offshore deposits: an examination of management and labour relations. OIL MARKETING The international selling strategy of Petroven: the position of Venezuela after the establishment of a two-tier system of prices by OPEC. BANKING The growth of domestic banking: the importance of Caracas as an international financial centre. MINING Prospects for the iron ore industry and for coal production: Venezuela's gold and diamond output. STEEL The results at Sidor, Venezuela's principal steel plant: plans for development of a new industry in Zulia. ECONOMY (1) Dealing with very much increased government revenue: production and inflation indices. ECONOMY (2) Record oil receipts have been accompanied by record import figures: the growth of reserves and their management. AGRICULTURE Government plans for reactivating the farm sector: progress in the production of food. TRANSPORT Plans for the development of a rail network: the airlines and their record: how shipping and the ports handle the present flood of imports: plans for further shipyards and/or a Venezuelan tanker fleet. ADVERTISING The development and penetration of the media has opened up big new opportunities for the industry in a period of affluence. NUEVA ESPARTA The prospects for development of Venezuela's offshore tax free holiday resort.

The proposed publication date is September 30 1977. Copy date is September 12 1977. For full details of the synopsis and advertising rates contact: Helen Lees, Deputy Overseas Advertisement Manager, Financial Times, Bracken House, 16 Cannon Street, London EC4P 4BY. Tel: 01-248 8000 Ext. 238. Telex: 885033 FINTIM G. P. Caramian, Apartado 60998 (Chacao) Caracas. Tel: 283 5401. FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

COMPANY NEWS + COMMENT

Elliott Group £1.13m. for 15 months

PRE-TAX PROFIT of Elliott Group for the 15 months ended March 31, 1977, was £1.13m. compared with £832m. for the previous year.

DIVIDENDS ANNOUNCED

Table with columns: Company, Current dividend, Date of payment, Corresponding dividend, Total dividend, Total tax. Includes N. Brown, Vinten, McCleery, Warner Holidays, and A.A. Tramways.

Proceeds will go towards financing a £50m investment plan in new production capacity over the next three years.

Vinten advances to peak £0.7m.

AFTER A mid-way rise from £136,000 to £230,000 photographic equipment manufacturers Vinten Group finished the year ahead by 78 per cent.

N. Brown falls by £40,000

FOR THE year to February 26, 1977, N. Brown Investments shows pre-tax profit down from £888,000 to £796,000.

McCleery in the red midway

AFTER interest charges up from £84,000 to £222,000, McCleery L.A.M.E. Group reports a pre-tax loss of £265,000 against a profit of £268,000 for the half-year to April 30, 1977.

£7.5m. half time loss at FNFC

THE TROUBLED secondary banking concern, First National Finance Corporation, reports losses before tax of £7.5m. for the six months to April 30, 1977.

Warner Holidays decline

THE DECLINE in pre-tax profits experienced by Warner Holidays in the second half of the year to January 31, 1977, resulted in a fall from £580,089 to £477,826 for the 1976-77 year.

A.A. Tramways special payment

The amount of investment currency premium received from Argentine Government Capital Bills, which matured on July 1, 1977, will enable Anglo Argentine Tramways to make a special interest payment of 2 per cent.

Macdonald Martin upsurge

PRE-TAX profit of Macdonald Martin Distilleries rose from £688,724 to £228,158 for the year ended March 31, 1977.

Ashdown Trust increase

FOR the six months ended May 31, 1977, net revenue available for the Ashdown Trust was up from £156,390 to £172,741.

Good start for A.B. Foods

FOR the first 13 weeks of the year, profits of Associated British Foods were in line with budgets and ahead of earnings for the same period of 1976.

Colmore prospects are excellent

The Board of Colmore Investments has written to shareholders advising them to reject the latest bid, its third, from T. Cowie, the motor group.

Edbro prospects

In yesterday's report on prospects for Edbro (Holdings), the figure quoted was wrong.

Results due next week

On Friday Lloyds and Midland are expected to produce their interim reports, thus opening the season for the clearing banks' mid-year figures.

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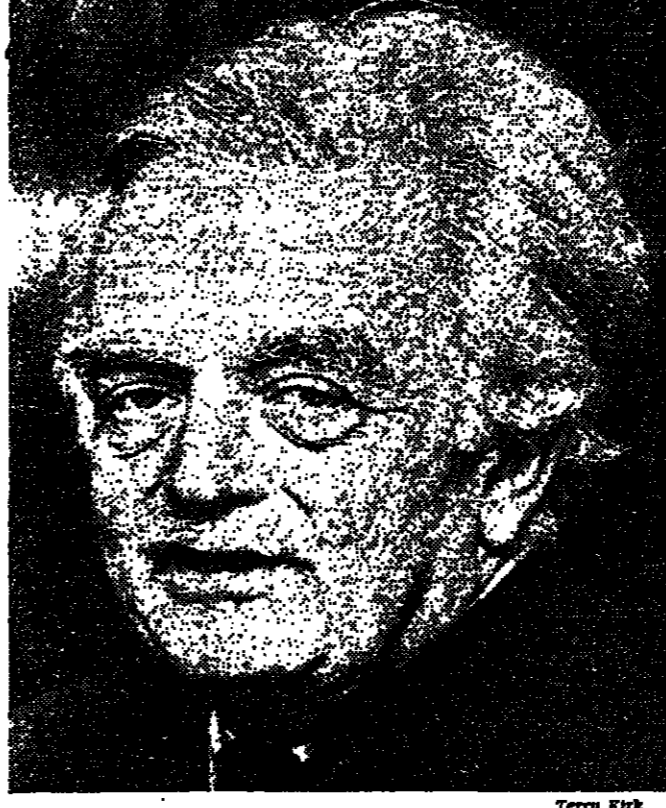
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Table of Dividend Announcements with columns: Company, Amount, Date, etc.

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Mr. John Glyn, the chairman of the First National Finance Corporation.

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UNIT TRUSTS

Schlesinger Extra Income Trust

A 1 per cent bonus is offered by Schlesinger Trust Managers to investors in the Schlesinger Extra Income Trust if they get their money in by July 25.

M & G SHARE EXCHANGE

Investors with shares worth more than £250 are invited to send for details of M & G's Share Exchange Plan.

LAWSON HIGH YIELD

An estimated annual gross yield of 12 per cent is offered to investors in the Lawson High Yield Fund.

Disappointing first half for Staflex

FIRST HALF profitability at Staflex International will be disappointing and will compare unfavourably with the corresponding period last year.

Laker applies for cheap fares to Australia

MR. FREDDIE LAKER, chairman of Laker Airways, is applying to the Australian Government for rights to run cheap Skytrain-style flights between Stanstead (Essex) and New York on September 26.

P & O in new Japan contract

THE DEPRESSED state of the bulk carrier market has led P & O to negotiate a contract for one with Mitsui Engineering and Shipbuilding Company of Japan.

NEW COURT EUROPEAN

THE EGM of New Court European Trust has passed the resolutions to implement the Scheme of Amalgamation with New Court International.

MATTHEWS WRIGHTSON

A contract has been signed by Surrey Shipping Company, an associated company of Matthews Wrightson Holdings, for the sale of a 71,000-ton bulk carrier.

LYON & LYON

LYON & LYON has increased its offer for the 70 per cent of Lyon and Lyon that it does not already own to 80 per cent.

FOX'S BISCUITS

The offer by Northern Foods for Ordinary shares in Fox's Biscuits has been accepted by 25,000 shareholders.



SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and mergers

Hawker Siddeley looks set to achieve a successful take-over of L. Gardner, the Manchester-based diesel engine builder...

Newman Industries has made an approach which could lead to an offer being made for the 74 per cent. of Dover Engineering...

A take-over battle has broken out for Dolan Packaging, Canadian Overseas Packaging has now entered the field with a £15.8m. cash offer...

Walls-Royce has dropped its fiercely resisted £11m. bid for Fodens due to the poor response from Fodens shareholders...

The Board of Negretti and Zambra announced that in view of the recent rise in the share price, it wished to state that the company has not received a bid approach...

PRELIMINARY RESULTS

Table with columns: Company, Year to, Pre-tax profit, Earnings per share, Dividends per share. Lists companies like Airfix Industries, Allied Colloids, Anglo Am. Asphalt, etc.

INTERIM STATEMENTS

Table with columns: Company, Half-year to, Pre-tax profit, Dividends per share. Lists companies like Abbey Panels, AC Cars, Birimid Quilcast, etc.

Rights Issues

Ferguson Industrial Holdings: Two-for-five at 53p each. Inveresk Group: One-for-four at 53p each. Benjamin Priest and Sons (Holdings): One-for-three at 53p each.

Scrap Issues

Allied Colloids: Two-for-one. Crown House: Two-for-five. Kelsey Industries: One-for-one. James Latham: One-for-four. Marling Industries: One-for-eight. Rainers (Jewellers): One-for-one. Sheffield Refreshment Houses: Four-for-one. Wilson (Cannery): One new 104 per cent. Cumulative preference share for ten ordinary. Young Austen and Young: One-for-three.

Gas Corporation signs first Frigg field contract

THE BRITISH Gas Corporation pellets a year, will be the first signed its first major contract to use the process in Britain, yesterday for gas from the Frigg field...

U.K. granted £23m. from EEC Fund

THE EUROPEAN Commission has announced grants totalling £23.8m. for the U.K. from the European Regional Development Fund...

Syndikats pledge for £10m. owed to Bally

MANAGING DIRECTOR and managing chairman of C. F. Bally, is currently in London, according to Dr. Bachmann...

Ninian output peak raised

CHEVRON AND its main partners in the Ninian field have agreed to raise the peak oil production by about 16 per cent...

No clear decision on atom reactor

THE NATIONAL Nuclear Corporation has failed to produce a clear-cut decision in favour of any of the three nuclear reactors that Mr. Anthony Edgewood Benn, Secretary for Energy, asked it to analyse last October...

Dutch turned down Volvo share offer

THE DUTCH Government has turned down an offer from Volvo, the Swedish car manufacturer, to increase its minority stake in Volvo's Dutch subsidiary...

Big leap in electrical steel sales

THE British Steel Corporation's Welsh Division exported 71 per cent more electrical steel in 1976 than in the previous financial year...

Talks on medical adverts curb soon

AN EARLY meeting between the Periodical Publishers Association and the Department of Health and Social Security has been arranged after protests by the association over proposed restrictions on medical advertising...

Judgment favours UT bid

U.S. FEDERAL District Judge Leroy Coupl there is no legal basis for continuing the Federal Reserve's order against the withdrawal of the bank's concession by the Federal Reserve Commission...

LABOUR NEWS

Civil Service rule bars women, says tribunal

THE EMPLOYMENT Appeal Tribunal gave limited backing yesterday to a woman who contends that a rule barring people over 23 not in the Civil Service from applying for a Civil Service executive post infringes the sex Discrimination Act...

'Day of action' at Grunwick plans denied

LEADERS of the Grunwick strike committee have denied reports that plans were being laid for a further mass picket and demonstration day outside the Millersden factory on the anniversary of the strike next Friday...

Shell takes Thies stake

THE DUTCH-controlled Shell group is to expand its Australian mining interests with the purchase of a 16.56 per cent interest in Queensland coal miner and civil engineer Thies Holdings Ltd for more than \$417m (£9.3m)...

SPECIAL OFFER TO INVESTORS WITH SHARES WORTH £2,500 OR MORE. Includes details of M&G's Share Exchange Plan and a coupon for requesting more information.

Beautiful 22 carat Gold Ingot Pendant. Features a 22 carat gold ingot pendant with a diamond set in a leather pouch. Price £149.

WALL STREET + OVERSEAS MARKETS + CLOSING PRICES

Index up 3 in heavy trading

BY OUR WALL STREET CORRESPONDENT

INVESTORS, RESPONDING to some excellent corporate earnings and higher U.S. weekly retail sales, brought a post-blackout modest rally on Wall Street today in heavy trading.

The Dow Jones Industrial Average was finally 2.98 firmer at 303.82, while the NYSE All Common Index gained 29 cents to 554.99.

After a strong opening, the market settled back somewhat shortly before mid-session, as investors considered the significance of the latest rise in U.S. money supply, reported yesterday when

OTHER MARKETS

FRIDAYS ACTIVE STOCKS

Table with columns: Stocks, Closing, Change, etc. Includes NCR Corp, Edison, etc.

Canada higher

Canadian Stock Markets were again sharply higher in very active trading yesterday, when

PARIS - Narrowly irregular in stock trading

Latest economic indicators that suggest a decline in the manufacturing sector, followed by a record unemployment level in the same month counterweighted by the June fall in commodity import

Indices

NEW YORK - DOW JONES

Table with columns: July 15, July 14, July 13, etc. for Dow Jones index.

STANDARD AND POORS

Table with columns: July 15, July 14, July 13, etc. for Standard and Poors index.

F.T. CROSSWORD PUZZLE No. 3432

A prize of £3 will be given to each of the senders of the first three correct solutions opened.

Crossword puzzle grid with clues for Across and Down.

ACROSS

- 1 Person conceited enough to make quick visit to bird (8)
- 2 Large size flag for ancient zodiac (6)
- 3 Spill one Olympic first with a bloomer (8)
- 4 Forbidden to bear orchestra (6)
- 5 Away with Tories altogether (8)
- 6 Shakespeare character with singular small arms (6)
- 7 Letting off sailor with answer (10)
- 8 A yachtman might suddenly applaud production of canvas (4, 2, 4)
- 9 Point to generation reaching senile state (6)
- 10 Breakfast time cracker (3, 5)
- 11 Racecourse from which to take an airing? (8)
- 12 From 1 to 27 you are not so ignorant (8)
- 13 Mess about with Chinaman (6)
- 14 (4)

DOWN

- 1 Ball of wool could be a deadly weapon (6)
- 2 Do I go in for equality? (6)
- 3 Drink has not any gravity above spirits (6)
- 4 Farwell to 100 per cent cream (3, 3, 4)
- 5 Plant blacking notes (8)
- 6 Bird known there's opera to follow (8)
- 7 Scabbery over family hobby (8)
- 8 Quarrelling depressed boat race crew member (6, 4)
- 9 Sweet account one would leave out (4, 4)
- 10 Shell giving a rattling good buzz to dancer (8)
- 11 Extended handy greeting to radio band (4, 4)
- 12 Ought Scots capital to look after port? (6)
- 13 Recover as company assembled ring (4, 2)
- 14 One in France is willing to make Concord (6)

WINNERS AND SOLUTION OF PUZZLE No. 3426

Following are the winners of last Saturday's puzzle:

Mrs. S. H. Dunbar, 111 Southbrae Drive, Glasgow 613.

Mrs. M. Plummer, 31, Highfields, Radstock, Bath, Avon, BA3 3UH.

Mr. J. Reeves, 3 Beck Way, Beckenham, Kent.

NEW YORK

Table of stock prices in New York including Alcoa, Amstar, etc.

VIENNA - Quietly steady

MILAN - Most sectors drifted lower in quiet conditions.

BRUSSELS - Mostly higher in quiet trading

Vieille Montagne rose Frs.30 to Frs.2.45 and Societe Generale

AMSTERDAM - Marginally firmer after a quiet session

The failure of the parties involved in Cabinet decision to reach agreement on an excess profit sharing scheme helped sentiment.

COPENHAGEN - Mixed with a lower bias

GERMANY - Shares were irregular on a fairly small turnover.

TOKYO - Shares were mostly lower again in moderate trading

most investors taking a cautious wait-and-see attitude before the regular Saturday Exchange holiday.

AUSTRALIA - Markets made a mixed showing, but with most

miners firm.

NEW YORK

Table of stock prices in New York including Johnson & Johnson, etc.

GERMANY

Table of stock prices in Germany including Allianz, etc.

PARIS

Table of stock prices in Paris including Air France, etc.

AUSTRALIA

Table of stock prices in Australia including BHP, etc.

TOKYO

Table of stock prices in Tokyo including Dai Nippon, etc.

VIENNA

Table of stock prices in Vienna including Erste Bank, etc.

OVERSEAS SHARE INFORMATION

Investment premium based on \$2.00 per £-112 1/2% (111 1/2%)

Large table of overseas share information with columns for Stock, July 15, July 14, etc.

BRUSSELS/LUXEMBOURG

Table of stock prices in Brussels/Luxembourg including Alcatel, etc.

AMSTERDAM

Table of stock prices in Amsterdam including ABN, etc.

COPENHAGEN

Table of stock prices in Copenhagen including Carlsberg, etc.

MILAN

Table of stock prices in Milan including IRI, etc.

OSLO

Table of stock prices in Oslo including Aker, etc.

CANADA

Table of stock prices in Canada including Alcan, etc.

INDUSTRIALS

Table of industrial stock prices including Alcoa, etc.

FINANCIALS

Table of financial stock prices including Amstar, etc.

COMMODITIES

Table of commodity prices including Wheat, etc.

PRICE CHANGES

Table of price changes for various commodities.

INDUSTRIALS

Table of industrial stock prices including Alcoa, etc.

FINANCIALS

Table of financial stock prices including Amstar, etc.

COMMODITIES

Table of commodity prices including Wheat, etc.

PRICE CHANGES

Table of price changes for various commodities.



Demirel faces problem in Turkish coalition bid

METIN MUNIR ANKARA, July 15. JLEYMAN DEMIREL, the Prime Minister-designate, has run into difficulties in forming a coalition government...

Den Uyl concedes he cannot form coalition

By Michael van Os THE HAGUE, July 15. MR. JOOP DEN UYL, the Dutch caretaker Prime Minister, has conceded that he cannot form a coalition government...

British protest melts ice cream campaign

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT BRUSSELS, July 15. THE CAMPAIGN by the Euro-pean Commission to prevent the subsidised 25 per cent of the current market cost of dairy products...

Egypt drafts stay law

CAIRO, July 15. THE MINISTRY OF Justice is drafting a law to subject Egyptian citizens to capital punishment...

Italian policy agreement endorsed by Parliament

BY DOMINICK J. COYLE ROME, July 15. A UNIQUE, if somewhat reluctant, partnership between Italy's long-ruling Christian Democrats and the country's powerful Communist Party...

Falkland Islands talks end

ROME, July 15. BRITAIN and Argentina ended high-level talks here today on the high-level talks here today on the high-level talks here today...

Another Ethiopian envoy defects

BY JAMES SUTTON ETHIOPIA'S ambassador to Saudi Arabia, who has played a key role in trying to restrict Arab support for the Muslim guerrillas fighting in Eritrea...

Law of sea progress reported

BY OUR OWN CORRESPONDENT UNITED NATIONS, July 15. THE UNITED Nations Conference on the Law of the Sea today completed an eight-week session with enough progress...

First Viking commodity trusts

COMMODITY OFFER 39.0 BID 37.0 YIELD 8.6% OFFER 102.0 BID 97.0 YIELD 4.0%

WARDGATE COMMODITY FUND at 28th June 1977 £18,200,000 WCF MANAGERS LIMITED P.O. Box 73 St. Helier, Jersey JEK 4 4PT

Italy-Tunisia pipeline deal

ROME, July 15. ITALY SIGNED a deal with Tunisia today to build a gas pipeline from the Tunisian coast to Italy...

S. Africa shooting denial

PRETORIA, July 15. SOUTH AFRICAN guns had nothing to do with the crash of a Soviet-made Angolan transport plane and opened fire as it was taking off from the Cuangar runway...

COMMODITIES/Review of the week

COCA price climbs to new peak. A report that Ghana was seeking a tonne at one stage. By the end of the week the LDP was £103 a tonne, down £2...

MARKET REPORTS

BASE METALS COPPER - Steady on the London Metal Exchange. The market was steady on the London Metal Exchange...

SILVER

Silver was fixed 1.56p an ounce higher for spot delivery in the London bullion market yesterday...

RUBBER

STEADIER opening on London physical market. The market opened steady on London physical market...

US Markets

Shortage boost cocoa, sugar gains. Cocoa supply is expected to be tight in the second half of the year...

Y PRICE CHANGES

Table with columns for Commodity, Price, % Change, and other market data.

COFFEE

Coffee futures, especially arabica, are steady to-day, based on unchanged from the previous close...

COCOA

Cocoa with producers withdrawn, values held steady throughout the day...

SUGAR

LONDON DAILY PRICE (raw sugar) 100 cwt. The market opened steady on London physical market...

GRAINS

LONDON FUTURES (WHEAT) The market opened steady on London physical market...

# How the income tax changes will affect you

## Single persons — income all earned

Income	Income tax	Percentage of income taken	Marginal rate	Reduction in tax compared with 1976-77
£ 0.00	£ 0.00	0.0	0	22.75
500	0.50	0.3	34.0	39.65
1,000	1.20	0.5	34.0	40.85
1,500	2.20	0.8	34.0	45.85
2,000	3.70	1.4	34.0	50.85
2,500	5.20	2.1	34.0	55.85
3,000	6.70	2.2	34.0	60.85
3,500	8.20	2.4	34.0	65.85
4,000	9.70	2.5	34.0	70.85
4,500	11.20	2.5	34.0	75.85
5,000	12.70	2.5	34.0	80.85
5,500	14.20	2.6	34.0	85.85
6,000	15.70	2.6	34.0	90.85
6,500	17.20	2.6	34.0	95.85
7,000	18.70	2.7	34.0	100.85
7,500	20.20	2.7	34.0	105.85
8,000	21.70	2.7	34.0	110.85
8,500	23.20	2.7	34.0	115.85
9,000	24.70	2.8	34.0	120.85
9,500	26.20	2.8	34.0	125.85
10,000	27.70	2.8	34.0	130.85
10,500	29.20	2.8	34.0	135.85
11,000	30.70	2.8	34.0	140.85
11,500	32.20	2.8	34.0	145.85
12,000	33.70	2.8	34.0	150.85
12,500	35.20	2.8	34.0	155.85
13,000	36.70	2.8	34.0	160.85
13,500	38.20	2.8	34.0	165.85
14,000	39.70	2.8	34.0	170.85
14,500	41.20	2.8	34.0	175.85
15,000	42.70	2.8	34.0	180.85
15,500	44.20	2.8	34.0	185.85
16,000	45.70	2.8	34.0	190.85
16,500	47.20	2.8	34.0	195.85
17,000	48.70	2.8	34.0	200.85
17,500	50.20	2.8	34.0	205.85
18,000	51.70	2.8	34.0	210.85
18,500	53.20	2.8	34.0	215.85
19,000	54.70	2.8	34.0	220.85
19,500	56.20	2.8	34.0	225.85
20,000	57.70	2.8	34.0	230.85
20,500	59.20	2.8	34.0	235.85
21,000	60.70	2.8	34.0	240.85
21,500	62.20	2.8	34.0	245.85
22,000	63.70	2.8	34.0	250.85
22,500	65.20	2.8	34.0	255.85
23,000	66.70	2.8	34.0	260.85
23,500	68.20	2.8	34.0	265.85
24,000	69.70	2.8	34.0	270.85
24,500	71.20	2.8	34.0	275.85
25,000	72.70	2.8	34.0	280.85
25,500	74.20	2.8	34.0	285.85
26,000	75.70	2.8	34.0	290.85
26,500	77.20	2.8	34.0	295.85
27,000	78.70	2.8	34.0	300.85
27,500	80.20	2.8	34.0	305.85
28,000	81.70	2.8	34.0	310.85
28,500	83.20	2.8	34.0	315.85
29,000	84.70	2.8	34.0	320.85
29,500	86.20	2.8	34.0	325.85
30,000	87.70	2.8	34.0	330.85

## Married couples with two children not over 11 — income all earned

Income before receipt of child benefit	Child benefit	Proposed income tax charge for 1977-78 after all changes	Net income (1)	Increase in net income compared with 1976-77
1,500	130.00	0.00	1,630.00	52.00
2,000	180.00	115.26	2,014.74	92.49
2,500	230.00	230.52	2,344.48	97.99
3,000	280.00	345.78	2,674.22	102.49
3,500	330.00	461.04	3,004.00	107.49
4,000	380.00	576.30	3,333.74	112.49
4,500	430.00	691.56	3,663.48	117.49
5,000	480.00	806.82	3,993.22	122.49
5,500	530.00	922.08	4,322.96	127.49
6,000	580.00	1,037.34	4,652.70	132.49
6,500	630.00	1,152.60	4,982.44	137.49
7,000	680.00	1,267.86	5,312.18	142.49
7,500	730.00	1,383.12	5,641.92	147.49
8,000	780.00	1,498.38	5,971.66	152.49
8,500	830.00	1,613.64	6,301.40	157.49
9,000	880.00	1,728.90	6,631.14	162.49
9,500	930.00	1,844.16	6,960.88	167.49
10,000	980.00	1,959.42	7,290.62	172.49
10,500	1,030.00	2,074.68	7,620.36	177.49
11,000	1,080.00	2,189.94	7,950.10	182.49
11,500	1,130.00	2,305.20	8,279.84	187.49
12,000	1,180.00	2,420.46	8,609.58	192.49
12,500	1,230.00	2,535.72	8,939.32	197.49
13,000	1,280.00	2,650.98	9,269.06	202.49
13,500	1,330.00	2,766.24	9,598.80	207.49
14,000	1,380.00	2,881.50	9,928.54	212.49
14,500	1,430.00	2,996.76	10,258.28	217.49
15,000	1,480.00	3,112.02	10,588.02	222.49
15,500	1,530.00	3,227.28	10,917.76	227.49
16,000	1,580.00	3,342.54	11,247.50	232.49
16,500	1,630.00	3,457.80	11,577.24	237.49
17,000	1,680.00	3,573.06	11,906.98	242.49
17,500	1,730.00	3,688.32	12,236.72	247.49
18,000	1,780.00	3,803.58	12,566.46	252.49
18,500	1,830.00	3,918.84	12,896.20	257.49
19,000	1,880.00	4,034.10	13,225.94	262.49
19,500	1,930.00	4,149.36	13,555.68	267.49
20,000	1,980.00	4,264.62	13,885.42	272.49
20,500	2,030.00	4,379.88	14,215.16	277.49
21,000	2,080.00	4,495.14	14,544.90	282.49
21,500	2,130.00	4,610.40	14,874.64	287.49
22,000	2,180.00	4,725.66	15,204.38	292.49
22,500	2,230.00	4,840.92	15,534.12	297.49
23,000	2,280.00	4,956.18	15,863.86	302.49
23,500	2,330.00	5,071.44	16,193.60	307.49
24,000	2,380.00	5,186.70	16,523.34	312.49
24,500	2,430.00	5,301.96	16,853.08	317.49
25,000	2,480.00	5,417.22	17,182.82	322.49
25,500	2,530.00	5,532.48	17,512.56	327.49
26,000	2,580.00	5,647.74	17,842.30	332.49
26,500	2,630.00	5,763.00	18,172.04	337.49
27,000	2,680.00	5,878.26	18,501.78	342.49
27,500	2,730.00	5,993.52	18,831.52	347.49
28,000	2,780.00	6,108.78	19,161.26	352.49
28,500	2,830.00	6,224.04	19,491.00	357.49
29,000	2,880.00	6,339.30	19,820.74	362.49
29,500	2,930.00	6,454.56	20,150.48	367.49
30,000	2,980.00	6,569.82	20,480.22	372.49

(1) Income plus child benefit less income tax.

## Elderly persons — income half earned, half from investments

Income before receipt of child benefit	Child benefit	Proposed income tax charge for 1977-78 after all changes	Net income (1)	Increase in net income compared with 1976-77
1,500	130.00	0.00	1,630.00	52.00
2,000	180.00	115.26	2,014.74	92.49
2,500	230.00	230.52	2,344.48	97.99
3,000	280.00	345.78	2,674.22	102.49
3,500	330.00	461.04	3,004.00	107.49
4,000	380.00	576.30	3,333.74	112.49
4,500	430.00	691.56	3,663.48	117.49
5,000	480.00	806.82	3,993.22	122.49
5,500	530.00	922.08	4,322.96	127.49
6,000	580.00	1,037.34	4,652.70	132.49
6,500	630.00	1,152.60	4,982.44	137.49
7,000	680.00	1,267.86	5,312.18	142.49
7,500	730.00	1,383.12	5,641.92	147.49
8,000	780.00	1,498.38	5,971.66	152.49
8,500	830.00	1,613.64	6,301.40	157.49
9,000	880.00	1,728.90	6,631.14	162.49
9,500	930.00	1,844.16	6,960.88	167.49
10,000	980.00	1,959.42	7,290.62	172.49
10,500	1,030.00	2,074.68	7,620.36	177.49
11,000	1,080.00	2,189.94	7,950.10	182.49
11,500	1,130.00	2,305.20	8,279.84	187.49
12,000	1,180.00	2,420.46	8,609.58	192.49
12,500	1,230.00	2,535.72	8,939.32	197.49
13,000	1,280.00	2,650.98	9,269.06	202.49
13,500	1,330.00	2,766.24	9,598.80	207.49
14,000	1,380.00	2,881.50	9,928.54	212.49
14,500	1,430.00	2,996.76	10,258.28	217.49
15,000	1,480.00	3,112.02	10,588.02	222.49
15,500	1,530.00	3,227.28	10,917.76	227.49
16,000	1,580.00	3,342.54	11,247.50	232.49
16,500	1,630.00	3,457.80	11,577.24	237.49
17,000	1,680.00	3,573.06	11,906.98	242.49
17,500	1,730.00	3,688.32	12,236.72	247.49
18,000	1,780.00	3,803.58	12,566.46	252.49
18,500	1,830.00	3,918.84	12,896.20	257.49
19,000	1,880.00	4,034.10	13,225.94	262.49
19,500	1,930.00	4,149.36	13,555.68	267.49
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20,500	2,030.00	4,379.88	14,215.16	277.49
21,000	2,080.00	4,495.14	14,544.90	282.49
21,500	2,130.00	4,610.40	14,874.64	287.49
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27,500	2,730.00	5,993.52	18,831.52	347.49
28,000	2,780.00	6,108.78	19,161.26	352.49
28,500	2,830.00	6,224.04	19,491.00	357.49
29,000	2,880.00	6,339.30	19,820.74	362.49
29,500	2,930.00	6,454.56	20,150.48	367.49
30,000	2,980.00	6,569.82	20,480.22	372.49

## Income up to £140 a week — all earned

Income per week	Income tax per week	Percentage of income taken	Marginal rate	Reduction in weekly tax compared with 1976-77
£ 0.00	£ 0.00	0.0	0	0.00
10	0.00	0.0	0	0.00
20	0.00	0.0	0	0.00
30	0.00	0.0	0	0.00
40	0.00	0.0	0	0.00
50	0.00	0.0	0	0.00
60	0.00	0.0	0	0.00
70	0.00	0.0	0	0.00
80	0.00	0.0	0	0.00
90	0.00	0.0	0	0.00
100	0.00	0.0	0	0.00
110	0.00	0.0	0	0.00
120	0.00	0.0	0	0.00
130	0.00	0.0	0	0.00
140	0.00	0.0	0	0.00
150	0.00	0.0	0	0.00



Table of financial data including company names, share prices, and market indicators. Includes sections for 'W-A-Z' and 'T-U-V'.

Table of financial data including company names, share prices, and market indicators. Includes sections for 'W-A-Z' and 'T-U-V'.

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Table of financial data including company names, share prices, and market indicators. Includes sections for 'W-A-Z' and 'T-U-V'.

LOCAL AUTHORITY BOND TABLE. Table listing local authority bonds with columns for Authority, Annual Interest, Gross Payable, Minimum Life, and Bond.

BUILDING SOCIETY RATES. Table listing building society rates with columns for Deposit, Rate, Share, Sub'pn, and Term.

Table of financial data including company names, share prices, and market indicators.

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Notes normally variable in line with changes in ordinary share rates. Money market rates. \$5,000 and over 7.40%. Deposit rate only, from August 1, 1977. Maximum £250.

STOCK EXCHANGE REPORT British Funds turn down after Chancellor's statement Equities below best with index 3.8 up at 453.7 after 456.1

Account Dealing Dates... First Declared Last Account Dealings... July 27 July 7 July 8 July 9 July 21 July 22 Aug 2 July 25 Aug 4 Aug 5 Aug 16... New time deals may take place from 1.30 a.m. two business days earlier.

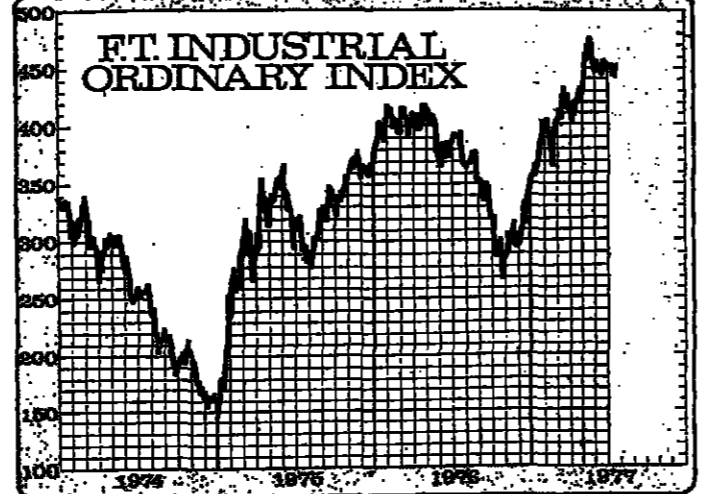
Stock markets found little to enthuse over in either the content of the Chancellor's economic statement or the reported first reactions to it. Markets had opened firmly on hopes about the maintenance of flexibility in Government... The day's trading was also disappointing.

London continued to feature a composite insurance gain of 3 more to 110p for a rise of 13 on the week. Phoenix also remained a firm market, adding 4 more to 244p, while Commercial Union added 1 to 130p.

Distillers improved 3 to 155p for a two-day rise of 12 following Press comment on the preliminary figures. A Bell put on 6 more to 260p, but better results from Macdonald Harter had no effect on the share price which was held out at 185p.

Foreign stocks, Japan 4 per cent. Assented moved up 5 to a fresh peak for the year of 268. The investment currency market stayed firm throughout the session and edged higher towards the close on small demand, which was mainly on institutional account for investment in U.S.

In Foods, British Sugar rose 10 further to 470p ahead of the interim results which are due next Wednesday. A. G. Barr improved similarly to 180p, while British Home put on 5 to 190p, and C.D.S. 2 to 67p.



ahead of next Tuesday's interim 2 hard. Port Farms, a firm market of late on hopes of a bid from Thomson Boatworks, moved between extremes of 263p and 255p before closing 2 cheaper on the day at 255p.

Most of the miscellaneous Industrial leaders relinquished initial modest improvements. Against the trend, Unilever ended with a rise of 6 at 488p, after 490p, and Boots finished 3 dearer at 185p.

Investment Trusts repeated the recent pattern of making modest headway in light trading. London and Lomond, 50p, both closed 2 harder.

Shipping had a firmer inclination. The oil leaders passed a rather quiet session. British Petroleum moved narrowly below setting at 905p for a rise of 2 on the day, appointed to the Northgate board.

NEW HIGHS AND LOWS FOR 1977

Table listing new highs and lows for 1977 across various sectors including Foreign Bonds, Building Societies, Chemicals, and Equities.

Table listing recent issues in various sectors including Equities, Fixed Interest Stocks, and Rights Offers.

BASE LENDING RATES

Table showing base lending rates for various banks and financial institutions, including A.B.N. Bank, Allied Irish Banks, and others.

RECENT ISSUES

Table listing recent issues in various sectors including Equities, Fixed Interest Stocks, and Rights Offers.

Table listing recent issues in various sectors including Equities, Fixed Interest Stocks, and Rights Offers.

"RIGHTS" OFFERS

Table listing rights offers for various companies, including details on share price, date, and terms.

Distributors enjoyed a market re-aligning yesterday, closing widely 3 to 320p for a rise of 30 on the better following a good business week, interest still being stimulated by the petrol price cuts and hopes of increased consumer spending.

Among Textiles, Lister featured with a rise of 3 to 39p on renewed support. Publicity given to the interim report directed fresh attention to Lister which rallied 3 to 79p with the help of bear closing.

Activity in Plantations was also active yesterday, with companies involved in bid situations. Awaiting news of recent approaches by Caparo Investments, Empire Plantations and Single gave up 1 and 2 respectively.

Northgate Exploration moved ahead sharply in the late trading to close 30p higher at 420p, unchanged on the week.

The Oil leaders passed a rather quiet session. British Petroleum moved narrowly below setting at 905p for a rise of 2 on the day, appointed to the Northgate board.

Investment Trusts repeated the recent pattern of making modest headway in light trading. London and Lomond, 50p, both closed 2 harder.

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FINANCIAL TIMES STOCK INDICES

Table showing Financial Times Stock Indices for various categories like Government Secs, Fixed Interest, Industrial Ordinary, Gold Mines, etc., with values for July 15, 14, 13, 12, 11, 10, 9, 8, 7, 6, 5, 4, 3, 2, 1, and Year ago.

HIGHS AND LOWS S.E. ACTIVITY

Table showing Highs and Lows for various stock categories and S.E. Activity for July 15 and 14.

ACTIVE STOCKS ON THE WEEK

Table listing active stocks on the week, including ICI, Distillers, B.A.T.s Deferred, Marks & Spencer, etc., with closing prices and changes.

YESTERDAY

Table listing stock activity for yesterday, including ICI, Distillers, B.A.T.s Deferred, Marks & Spencer, etc., with closing prices and changes.

RISES AND FALLS

Table showing rises and falls in various stock categories, including British Funds, Corporate, Industrial, and Financial.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Large table showing FT-Actuaries Share Indices for various equity groups and sub-sections, including Capital Goods, Consumer Goods, Industrial, etc., with values for Fri, July 15, 1977.

FIXED INTEREST PRICE INDICES

Table showing Fixed Interest Price Indices for various categories like British Government, 1 Under 5 years, 5-15 years, etc.

Table showing Fixed Interest Price Indices for various categories like 15-30 year, Govt. Deb. & Loans, etc.

AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

Table of Authorised Unit Trusts listing various funds such as Brown Shipley & Co. Ltd., Guardian Royal Ex. Unit Mgrs. Ltd., Henderson Administrators, and others, with columns for fund names, managers, and performance metrics.

Table of Offshore and Overseas Funds listing various international investment funds such as Fidelity Mgt. & Res. (Rtd.) Ltd., Australian Selection Fund, and others, with columns for fund names, managers, and performance metrics.

Table of Share Indices listing various market indices and their values, including the FTSE 100 and other regional indices.

INSURANCE, PROPERTY, BONDS

Table of Insurance, Property, and Bonds listing various insurance policies, property investments, and bond offerings, including details on premiums and terms.

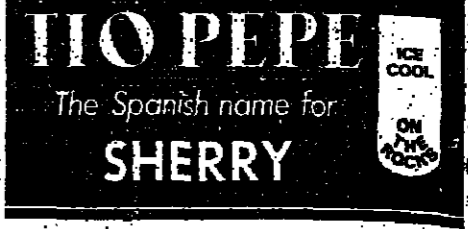
Financial analysis and commentary sections including 'The dissenter', 'What kind of future?', 'Gathering well', and 'The Banker', providing insights into market trends and economic forecasts.

Subscription information for the Financial Times, including contact details for advertising and circulation departments.

Additional notes and contact information for the insurance and investment services listed in the adjacent table.







MAN OF THE WEEK

Out of the darkness

BY JUREK MARTIN

IT IS JUST possible that the great New York black out this week could turn out to be the light at the end of the tunnel of Abraham Beame's political career.

Nobody knows the ins and outs of New York City better than Abe Beame, who was born in the East End of London in 1906.



Abe Beame: Dark night, silver lining.

Comptroller under John Lindsay he engaged in the sort of "creative" budgetary juggling that in the end overstretched the city's resources.

But the Mayor knows—and so do most of his associates—that cannot be blamed for this week's dramatic power failure.

The typical New Yorker's view, then and now, is best summed up by the old joke: "Where's Charles Luce (chairman of Con Ed). Out in Central Park, looking for glow-worms."

New image

All of which was not bad for a man of 71 who himself was caught by the black-out in the midst of a campaign speech out in the borough of Queens.

It fitted in nicely with the new image that he has been trying to project of a man far younger than his years.

The city's financial problems have rather taken a back seat. The city has been alternately entertained by a young local mountaineer scaling the outside of the World Trade Center.

Even the black-out brought out the best as well as the worst in New Yorkers. Matched against the wholesale looting in the poorer areas of the city were the examples of volunteers controlling traffic in the streets and a philosophical, often humorous acceptance of yet another calamity.

The Mayor may just be the man to capitalise politically on this strange, diverse and perverse mood. His call for swift punishment of looters could be noticed among the white ethnic communities who will cast their votes later this year.

Begin to show Carter Mid-East peace plan

BY DAVID LENNON

MR. MENAHEM BEGIN, Israel's Prime Minister, flew to Washington today for talks with President Carter regarding a Middle East peace settlement and a warning to President Sadat of Egypt against threatening war, saying that Israel had the strength to defend itself.

The Israeli leader said at Ben Gurion airport that he was taking proposals on the way to obtain "a permanent peace, a real peace, a just peace."

Mr. Begin said that Israel shares the U.S. view that a peace agreement should encompass bringing an end to the state of war between Israel and Arab neighbours, the fixing of permanent borders, the exchange of ambassadors, and laying the path for economic relations.

Inflation up again but hopes of fall persist

BY MICHAEL BLANDEN

THE RATE of price inflation accelerated again last month, with the retail price index rising by 1 per cent to a level 17.7 per cent higher than a year earlier.

This increase took the year-on-year inflation rate to its highest level for 14 months, and provides a difficult background for the Chancellor's efforts to restrain wage claims.

The Government remains convinced that inflation should fall back substantially later this year.

This view is supported by the movement in prices last month when the impact of the emergency price increase on the basis, the underlying inflation rate fell for the first time this year.

The Department of Employment announced that the all-items index of retail prices for June 14 stood at 185.6 (January 1974=100) compared with 181.7 in the previous month.

The increase of 17.7 per cent over the last 12 months was a renewed jump from the 17.1 per cent recorded in May. Officials still argue, however, that this is in line with the expectation that inflation rate would remain on a plateau for a period before beginning to turn down, probably in August.

Coffee profit to be curbed

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

THE GOVERNMENT is to clamp down on retailers' profits on coffee by introducing a cash margin ceiling.

The move, which may bring some price reductions in the shops, was immediately attacked yesterday by the Retail Consortium, which said that it might lead to some shops being unable to afford new stocks of coffee.

Mr. Roy Hattersley, Secretary of Prices, announced his proposals yesterday after publication of the Price Commission's report on the coffee market.

The report, commissioned by Mr. Hattersley because of the very steep rises in coffee prices, found no evidence of profiteering at any point in the coffee distribution chain.

According to some supermarket group yesterday, it represented a gross percentage margin of only 5 per cent—less than half the average in the trade.

Pay policy supported

Continued from Page 1

requirement and public spending. The faltering Conservative attack led by Sir Geoffrey Howe, the shadow Chancellor, which Mr. Healey brusquely and brutally crushed, scarcely encouraged political recruits to the Tory cause.

Sir Geoffrey, while welcoming the Government's apparent determination to control the money supply, claimed that its "economic strategy" has now entirely collapsed.

The Chancellor, supported more enthusiastically than he has been at any time over the past three years by Labour backbenchers, easily dispatched his

Railmen's target sets problems

Continued from Page 1

on inflation if they drive through big wage claims? In real terms U.K. trade and industry was unprofitable, earning only a 3 per cent return on capital, and "companies do not have the cash flow to face long strikes," he said.

Lord Watkinson, the CBI president, said that although the CBI would urge members to aim to keep the total increase in earnings below 10 per cent, there would be a disparity in the level

principles and the general outlines of the plan, to avoid emphasising the wide gaps between the positions of the two governments, with more detailed discussions between them later.

Israel's peace proposals are designed not only to outline the Middle East settlement which Israel is aiming for, but also to put the political ball firmly in the Arab court.

Mr. Begin's outlines of the settlement contradict some of the principles for a Middle East peace laid down by the American President.

Israel's refusal to withdraw from the West Bank, The Gaza Strip or East Jerusalem means that the plans will be unacceptable to Arab neighbours.

The proposals also do not appear to allow for any settlement with the Palestinians other than the suggestion that they should find their homeland in Jordan, or agree to continue living under Israeli rule.

Steel

It will stand in a water depth of 512 feet on one of the most northerly of the U.K. oil field discoveries. When completed the platform will stand 866 feet high, and contain 44 units for living quarters and production equipment together with a drilling rig. It will have a total deck area of about 1.5 acres and weigh 48,000 tonnes.

British Steel Corporation will supply most of the steel. Some 35,000 tonnes of steel will be provided by the corporation's plant at Dalziel, near Motherwell, with a further 8,000 tons being imported from Japan.

The field, which is being developed by Conoco, Gulf and British National Oil Corporation—each with a one-third interest—is due to come on stream in 1980. The platform will accommodate up to 27 wells and be capable of producing 150,000 barrels a day.

The U.K. Government is inviting tender for the work along with the French yard of Union Industrielle et d'Entreprise. In view of the British National oil corporation's involvement in the North Sea development, it is unlikely that the order would have gone outside of Britain.

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Mr. Begin's concept of a partial withdrawal on the Golan Heights has been rejected by the Syrian media. President Sadat announced on Wednesday that he would only consider signing a peace treaty five years after the last Israeli soldier had evacuated the lands lost by the Arabs in the 1967 war.

Israeli officials interpreted this to mean that the Arabs are not ready to include in an agreement the conditions which would make a treaty possible.

Officials admitted privately that Mr. Sadat's offer of a peace deal in five years was a slight advance on his previous insistence that normalisation of relations must wait for the next generation.

But at the same time it was pointed out that the Egyptian stance is incompatible with President Carter's belief that a normalisation of relations should be part of a peace agreement.

Conoco orders £40m. oil platform

By Ray Deftor, Energy Correspondent

THE CONOCO oil exploration group has ordered a £40m production platform for its Murchison Field—the first big contract for a new U.K. oil field for more than two years.

The order for the 21,000-tonne steel structure has gone to McDermott's at Ardenker, Moray Firth. The large platform will stand 866 feet high, and contain 44 units for living quarters and production equipment together with a drilling rig. It will have a total deck area of about 1.5 acres and weigh 48,000 tonnes.

The Howard Doris site could also be without work once it delivers the central Ninian Field platform later this year.

The Murchison relief will come as considerable relief to McDermott's which has managed to stay open with two small export contracts. The new platform is due to be delivered in 1978 when it will be the largest large-faceted structure in the North Sea.

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The Chancellor has no clothes

By Ray Deftor, Energy Correspondent

Mr. Moss Evans said it all yesterday. "We always feel bound to consider whatever our Government has to say," the leader of the Ford union negotiators pointed out, "but as I see it the Chancellor has no clothes."

The City decided that Mr. Healey's statement was a non-event, too. The 30-Share Index barely moved between the time the Chancellor stood up and the market closed, while the gilt-edged market, though unsettled, showed only modest losses.

What the City would have liked was some show of determination on budgetary and monetary issues, which Mr. Healey crammed into just two paragraphs. What it feared was that large extra concessions on taxes and price controls would have been made as a way of maintaining union goodwill.

In the event neither of these extremes emerged, and the overall effect was broadly neutral.

In fact the stock market has already adjusted itself to the inability of the Government to negotiate an effective Stage Three pay policy. The damage was done as far back as late May, when the gilt-edged market began to fall sharply, and most market analysts have for some time been working on the assumption that wage earnings will rise by at least 15 per cent in the year ahead. The only change to be made now is that this figure may need to be edged up a little.

The pattern of pay settlements is not, in any case, going to emerge for some months yet. Meanwhile there are a number of quite bullish forces at work on share prices. Company profits are still rising strongly, with projected gains of a fifth or more this year and next. Economic growth should pick up a little after several years of stagnation, and consumer spending in particular is set for a modest revival: the Chancellor made much yesterday of the probability that the squeeze on real incomes is almost over.

Upward trends

In addition, the balance of payments is moving steadily into surplus on current account, and the run of dismal cost-of-living figures indicated a year-on-year increase of 17.7 per cent for June is about to be reversed quite sharply.

For all these reasons the stock market in recent days, has been

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THE LEX COLUMN

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Index rose 3.8 to 453.7

BY MICHAEL BLANDEN

THE 30-SHARE INDEX has rallied ten points during the week while buyers appeared for the 1991 gilt-edged tap stock once it became apparent that the Government Broker was going to be a supplier at a realistic yield level.

In the short run these trends could still have some momentum left for Mr. Healey's statement has not really changed anything. The tax measures, for instance, add up more or less to what was promised—admittedly on a "conditional" basis—in the March Budget.

But further ahead the pressures are bound to build up. The Government's recent love affair with monetary targets has progressed smoothly enough while the economy has been slack and earnings have been rising at under 10 per cent a year. An acceleration in the growth of wages to 15 per cent, or more would, however, pose severe strains, and in any case the balance of payments turnaround promises to make monetary management more difficult.

Even if the Government—or its successor—is determined to hold to the monetary targets in such circumstances, a spell of unpleasantly high interest rates might be required in order to achieve them. And if the targets are allowed to slip, inflationary expectations would immediately start to rise again.

An autumn and winter of confrontation and electioneering is not going to encourage confidence either in industry or in the City.

With this uncertain prospect

Brokers' new role

In overemphasising the effect of current cost accounting pre-tax profits—the historical pre-tax figure of £121.6m, pared down to a CCA version of £25.1m, with only £5.6m of tax—Ford U.K. was playing with fire and it deserves to have its fingers burnt. The union have hired the City's own Philip and Drew to give advice and the brokers say that £5.6m figure "seriously understates" the group's real profits. Their own calculations show post-tax profits of £27m, and distributable surplus of £31m. Current cost accounting nothing if not controversial.

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Airline to 70 £2bn on the